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Rightists Arrested In Italy

12 Suspects Detained In Bologna Bombing

ROME, Aug. 28 (AP) — Police staged raids here and in two other cities today and arrested 12 rightist extremists in connection with the Aug. 2 bombing of the Bologna railroad station that took 83 lives, officials announced.

Police issued warrants for the arrest of 16 more suspects.

In Bologna, Prosecutor Ugo Sisti said that the charges against some of those arrested included planning and carrying out the bombing, Europe's bloodiest postwar terrorist attack. He said other charges were subversive association, forming armed bands and attempting to subvert democratic order.

Police sources said seven were arrested in Rome and the others were arrested in a villa near Bolsena Lake near Viterbo, north of Rome, and in Rieti, northeast of here.

Investigators have said they believed the bombing was the work of rightist extremists, noting that rightist groups have claimed responsibility for similar attacks in the past.

Italy is seeking the extradition of a rightist extremist, Marco Affatigato, who was arrested in Nice a few days after the bombing. He has not been charged in the attack, however.

Names Not Given

Officials refused to give the names of the persons arrested or the cities in which they were picked up for fear that it would hamper the investigation.

The bombing leveled one of three station buildings and left a pile of rubble 20 feet high. The blast killed 83 station employees and travelers on one of the busiest vacation weekends of the year.

Massive anti-strike protests followed the bombing, with millions of workers walking off their jobs Aug. 24 in a national four-day general strike and 200,000 people mourned the dead two days later at mass funerals organized by Bologna's Communist-led city government.

Since 1969, rightist terrorists have been blamed for 113 deaths and leftists have been blamed for 85 deaths in Italy. In general, rightist groups have attacked public places while leftists such as the Red Brigades have gone after individuals whom they consider political opponents.

Rightist extremists were convicted in the bombing of a crowded train in Milan in 1969 that left 16 persons dead and more than 100 injured. They also have been blamed for a bomb planted in a square during a rally in Brescia in May, 1974, that killed seven persons and for a bombing that killed 12 persons on a train between Bologna and Florence in August of that year.

Chinese Official Reveals Figures On Crime Rate

PEKING, Aug. 28 (WP) — A Chinese official has revealed for the first time the national crime rate, saying China averaged about 570,000 cases a year, with 90 percent of them being minor.

During a speech to a United Nations crime conference in Caracas reported in Peking by the Chinese news agency, Deputy Justice Minister Xie Bangzhi said: "Social order in our country has been good on the whole, with the people's life being stable and crime rates relatively low." He said the average annual number of cases was only 290,000 from 1950 to 1965, a reduction from the 500,000 crimes a year in 1950 as the Communists took over.

But he said the political turmoil of the Cultural Revolution in the 1960s disrupted China's "social order and ethics." He said the growth in the youth population also had an effect.

The official figures may be low, or authorities in communities such as Hong Kong and Taiwan have found the Chinese reluctant to report crimes. The official Chinese media have called for strong measures against criminals and at least 100 executions have been carried out in the past year.

Freighter Explodes, Burns In Italian Port

CIVITAVECCHIA, Italy, Aug. 28 (UPI) — A Yugoslav freighter exploded into flames early this morning in this port 35 miles (56 kilometers) northwest of Rome and burned out of control for seven hours.

Port officials said the 35-man crew of the 12,000-ton freighter "remained to safety and no injuries were reported. The ship was loaded with a cargo of aluminum, lumber and chemicals, they said.



DEADPAN HUMOR — President Carter and Donald McHenry, U.S. ambassador to the United Nations, obviously appreciated remarks by Zimbabwean Prime Minister Robert Mugabe at a White House reception Wednesday. Mugabe was seeking U.S. aid. Details, Page 3.

Carter Offers Tax Relief, Jobs In \$27-Billion Economic Plan

WASHINGTON, Aug. 28 (AP) — President Carter called today for \$27.6 billion in 1981 tax cuts for individuals and businesses as part of an election-year economic proposal that also aims to create a million new jobs in the next two years.

The president also requested congressional authority to spend an additional \$3.6 billion in 1981 to retrain workers, weatherize homes, maintain highways, build ports, boost research and development and help economically distressed counties and cities.

In addition, he urged Congress to act rapidly to extend unemployment benefits by 13 weeks for workers who have lost their jobs because of the recession. Benefits now expire after 39 weeks. The measure would cost \$1.35 billion over two years.

Mr. Carter unveiled his economic blueprint to an audience of business, labor, consumer and congressional leaders today at the White House.

Contrast With Reagan

Saying he "will not accept a pre-election bill to cut taxes," he drew a sharp contrast between his economic plans and those of Ronald Reagan, although he did not mention the Republican presidential nominee by name.

"Now — in the heat of an election year — is not the time to seek votes with ill-considered tax cuts that would steal back in inflation the few dollars the average American taxpayer may get," Mr. Carter said.

Mr. Reagan has proposed an immediate \$30 billion tax cut to stimulate the economy as part of an even larger tax cut plan.

The president said his own proposals will begin a "journey toward a more productive, more competitive, and more prosperous American economy."

He said his program will create up to 500,000 jobs in 1981 and a total of a million jobs by the end of 1982 in addition to those that normal recovery and other new programs are expected to provide.

GNP Growth of 2%

"We expect to add 2 percent growth to the gross national product, increase real investment by 10 percent and help to hold down inflation at the same time," he said.

Treasury Secretary William Miller told a news briefing earlier that all of the tax initiatives and virtually all of the spending proposals would not be proposed as legislation until January. The tax reductions would go into effect Jan. 1, retroactively if necessary.

The wide-ranging package would

increase the proposed federal deficit by approximately \$6 billion in the fiscal year that begins Oct. 1, bringing the projected budget shortage to more than \$35 billion. Only five months ago, Mr. Carter was championing a balanced budget as the key to his then-economic policy.

"If the administration had indicated to people that come hell or high water we'll have a balanced budget, then we sent bad signals," Mr. Miller said. "Our signal was to fight inflation."

Aid to Business

Despite the enlarged deficit, Mr. Miller insisted the package would not be inflationary because its initiatives would spur investment, boost productivity and put people back to work over the next five years.

Man Is Shot in Spain

IRUN, Spain, Aug. 28 (AP) — Three masked men shot and seriously wounded a businessman walking near a police station today in this town in the northern Basque region. Police believed the attack was the work of the Basque separatist organization ETA.

Mr. Carter's proposed tax cuts will benefit business slightly more than individuals.

Specifically, the president proposed tax credits or refunds for employers and tax credits for individuals to offset completely the \$13 billion increase in Social Security payroll taxes that take effect Jan. 1. The tax change will not affect Social Security payments. Mr. Miller emphasized.

This offset would last through 1982 and cost the Treasury revenue of \$12.8 billion in the first year and \$14.5 billion in the second. Meanwhile, Mr. Carter is calling upon the executive branch and Congress to study ways to strengthen the Social Security system.

In addition, Mr. Carter proposed a reduction in the so-called "marriage penalty," a tax code quirk that requires a married couple to pay more taxes than two single people do for the same income. A couple would be able to deduct 10 percent of the lower-earning spouse's income, up to a total deduction of \$3,000.

Beside the Social Security offset, (Continued on Page 3, Col. 1)

Most Ports Open, But Fishing Talks Stall Amid New Blockade Warnings in France

PARIS, Aug. 28 — Most French ports were open to shipping today, but negotiations on ending the crippling strike by fishermen stalled in Paris and there were threats of new blockades.

After six hours of talks, representatives of shipowners, unions and the government said they had not solved the dispute and adjourned until Tuesday. A union representative said, "We are asking all fishermen to remain mobilized until Tuesday."

Fishermen who operate their own boats and who joined the strike more than two weeks ago related blockades of several harbors but tensions mounted elsewhere.

The strikers withdrew their trawlers from Cherbourg and port authorities said car ferry traffic between Cherbourg and England would resume Friday. The blockade also was lifted at Dieppe, also on the Channel, and at Sete, on the Mediterranean.

Strikers pulled out of the Channel port of Fecamp after blocking the harbor to protest the intervention of navy ships in the vital oil-unloading port of Le Havre-Anfuer on Tuesday. But they voted to continue their strike in Normandy ports, including possibly returning "with several thousand fishing boats" to Le Havre-Anfuer in defiance of the navy intervention.

The fishermen also decided to resume a blockade of Saint Nazaire, a vital port at the mouth of the Loire River that supplies oil refineries. Tugboat operators joined the strike, leaving three oil tankers marooned offshore.

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OECD Report

An OECD report sees some West European countries and Japan outpacing the United States in technological change. Page 7.

Troops in Ogaden

A dispute over Somali troops in the Ogaden region of Ethiopia has led to the first significant congressional opposition to President Carter's plan for fielding a quick-reaction force in the Indian Ocean theater. Page 2.

Polish Strikers Cancel Talks; Aide Calls Situation 'Serious'

From Agency Dispatches

GDANSK, Poland, Aug. 28 — Strikers in northern Poland whose actions are beginning to affect the entire national economy broke off talks here tonight and the authorities in Warsaw said the situation was rapidly getting out of hand.

The Gdansk strikers, who have paralyzed ports along the Baltic coast and the region's industry for 15 days, said they would not resume talks unless the government gave in on the key issue of free trade unions.

In Warsaw, Mirosław Wojciechowski, the editor of the official Interpress news agency, told foreign newsmen that the authorities had decided that the situation could not continue much longer.

Mr. Wojciechowski's brief statement was seen as the strongest warning yet to the strikers. He said "the situation is getting increasingly complicated" and the authorities were now convinced the strikers were being led by "anti-Socialist and extremist elements."

'No Visible Progress'

Mr. Wojciechowski said that the government commission, led by Deputy Premier Mieczyslaw Jagielski, had gone a long way to recognize the grievances of the strikers, "but there is no visible progress."

Government negotiators failed to show up for a crucial evening bargaining session today, and strikers said they hoped for a quick victory in their key demand over union organization had apparently been dashed.

Sources said that new walkouts today added thousands of strikers to the total of more than 300,000. They said factories at Bydgoszcz, Poznan, Krakow, Lodz and Slupsk were affected.

Bogdan Lis, one of the Gdansk strike leaders, said a second round of talks with government negotiators earlier today had been called off. He said the reason was that the Communist officials had not worked out proposals for free trade unions.

"There are still differences between their proposals and ours," Mr. Lis told workers' delegates. "In view of this, we have interrupted discussions on all other points."

The Gdansk strike committee today backed out of an agreement to issue a joint appeal with the government calling on workers to stay on



Lech Walesa

their jobs, sources on the joint committee said. Strike leader Lech Walesa confirmed he was considering the appeal because of fears of government collapse and of possible foreign intervention, sources on the strike committee said.

But when Mr. Walesa told committee delegates that the appeal was to be drafted by both government negotiators and the strikers, the members balked and Mr. Walesa subsequently drafted an appeal himself.

The message made a point of thanking Poles for their backing of the strikers' free-union demand. He handed it to authorities, daring them to accept it for the planned broadcast.

"We thank you for your solidarity on all 21 demands," the plea said. "We are not for the widening of a strike which might push the country to the verge of collapse."

Earlier, Mr. Walesa, perched atop the gates of the strike-idled Lenin Shipyard here, told his fellow workers: "It is not good to have Poland terrorized. The people must have food. If we don't get results in three to four days, then let the strikes spread." The idea obviously met little favor with the workers, only a few of whom bothered to applaud.

Interpress, meanwhile, denied reports that Communist Party leader Edward Giersek had agreed to step down in favor of former Foreign Minister Stefan Olszowski. The reports were carried in the United States by ABC News, citing unnamed authoritative sources. There were strong rumors throughout Poland today that Mr. Giersek had already resigned.

Concessions Announced

According to Mr. Mieczyslaw Jagielski, the government has agreed to most of the strikers' demands, but progress has yet to be made on the key question of free trade unions. Mr. Jagielski announced over Gdansk radio that concessions had been made, but he did not elaborate.

The broadcast followed an announcement yesterday to reporters by Andrzej Gwiazda, one of the strikers' negotiators, that "there is general agreement between strikers and the government on forming free and independent trade unions." Mr. Gwiazda made the statement after he and other strike leaders held their second bargaining session with government officials at the Lenin Shipyard, where the mass walkout began Aug. 14.

Dissidents said solidarity strikes were taking hold in Poland's second-largest city of Lodz, where public transportation has been stopped for three days. In Wroclaw, a city close to the Silesian coal-mining region, 50 enterprises were closed by strikes, they said.

The reasons behind the rejection of the agreement on the broadcast appeal to workers were not immediately disclosed. Earlier, sources said the text of the message was to be decided by strike leaders and government officials jointly.

Economic Impact

Strike committee sources said Mr. Walesa agreed to deliver a speech asking nonstriking workers to stay on the job because he and other strike leaders fear the economic and political impact of the strikes could strangle Poland and bring foreign intervention.

"It's clear that such intervention would come only from the Soviet Union," another source said. "If there is a general strike, the authorities will collapse, and we will be

(Continued on Page 2, Col. 5)

Poland Asking U.S. To Increase Credits

By Bernard Gwertzman

WASHINGTON, Aug. 28 (NYT) — The Polish government has asked the United States for an increase of 22 percent next year in credits for the purchase of U.S. grain and other foodstuffs to help cope with Poland's mounting economic problems, administration officials said yesterday.

The request, made formally three days ago by Poland's Ambassador Romuald Spasowski, will be considered in the coming weeks, but it is already regarded as a sensitive matter by the Carter administration.

Officials said that the request — to increase Poland's agricultural credits from \$550 million in the current fiscal year to \$670 million in the fiscal year that begins Oct. 1 — would normally be treated routinely. But because of the wave of strikes in Poland, officials said, Washington wants to do nothing to suggest that it is trying to take advantage of the unrest and thereby give Moscow some pretext to intervene.

On the other hand, the administration is under pressure from Polish-Americans to launch an economic assistance program for Poland, including the 22-percent increase in agricultural credits.

Poor Harvests, Imports

Mr. Spasowski, who has been meeting with State Department and other officials to discuss the situation in Poland, made his government's request in a meeting on Monday with Agriculture Secretary Bob Bergland. An Agriculture Department official said Poland had informally indicated two months ago that because of poor harvests and the inability of the Soviet Union to export more to Poland that it would be seeking the increase.

Some 70 countries are making formal requests for credit guarantees in advance of the new fiscal year, the official said. It is uncertain the full increase, he said, but State Department officials said the request would be treated sympathetically.

Ever since the crisis has developed in Poland, the Carter administration has adopted a deliberately low-key policy of saying virtually nothing about the situation and urging the Soviet Union and other states not to intervene in Poland's affairs.

This approach, however, has been criticized by the Polish American Congress, the umbrella organization representing 12 million persons of Polish origin in this country. At a meeting with State Department officials yesterday, they said:

(Continued on Page 2, Col. 5)

Gandhi Assumes Power To Use Troops in Riots

NEW DELHI, Aug. 28 (UPI) — Prime Minister Indira Gandhi's government, facing a wave of religious riots between Hindus and Moslems, said today it will assume power to send troops to any disturbed area in the country.

The move, reminiscent of the Mrs. Gandhi's 1975 emergency clampdown, overrides the autonomy of local state governments in dealing with law and order and is expected to meet stiff resistance from opposition parties.

Officials cited the widespread ethnic and religious riots in several parts of the country as reasons for the decision to give the federal government the right to declare any locality a "disturbed area" with or without the state's consent.

The Cabinet decided yesterday to amend the constitution to permit the federal government to dispatch troops to disturbed areas, a reference to states where religious rioting has occurred between Moslems and Hindus.

Mrs. Gandhi's ruling Congress-I Party commands a two-thirds majority in Parliament, so passage of the amendment is virtually assured.

Under the proposed amendment, the federal government will be empowered to set up special courts to expedite trials of people charged with disturbing law and order in a state.

The move was seen in opposition political circles as an encroachment on the constitutional rights of individual states, violating the state's exclusive jurisdiction over its own law and order.

The Janata Party, which took over when Mrs. Gandhi's earlier emergency measures forced her from office in 1977, amended the constitution to restrict the government's powers to declare a state of internal national emergency.

The existing constitution authorizes the government to impose a national state of emergency only in case of an external threat or armed rebellion inside the country. Only states are empowered to declare states of emergency on a local level.

All but five of India's 22 states are governed by the ruling Congress-I Party or its allies. The five states that are not, especially the Marxist-controlled states of Kerala, West Bengal and Tripura, are expected to strongly oppose the move.

U.S. Resort Evacuated Before Bomb Blast

By Robert Lindsey

STATELINE, Nev., Aug. 28 (NYT) — A large bomb that extortionists had left at a gambling casino no blew up yesterday as experts tried to defuse it by remote control.

The explosion wrecked the lower levels of an 11-story hotel-casino, but apparently injured no one. Before the bomb went off, authorities had evacuated thousands of people from casinos and hotels in this gambling resort on Lake Tahoe on the California-Nevada border.

The bomb, which the authorities said appeared to contain about 1,000 pounds of TNT, exploded at 3:43 p.m., sending thick gray smoke streaming through the casino district and causing heavy damage to Harvey's Resort Hotel casino.

Shards of glass, pieces of concrete and parts of the casino's neon sign were thrown as far as four blocks. Some of the debris landed across the border in California.

"The whole town went out," a security guard at the nearby Sahara-

Tahoe Hotel said. The second and third floors appeared wrecked by the explosion, their windows blown out and balconies collapsed, but upper floors appeared relatively undamaged.

\$3 Million Demanded

The bomb, an object in a box the size of a desk, had been wheeled into the casino Tuesday morning by two persons posing as computer technicians. With the device was a letter demanding \$3 million and an escape helicopter, authorities said.

The extortionists had not been heard from since early Tuesday, and Gov. Robert List had pleaded with them to provide more information about the bomb. John Maple, sheriff of Douglas County, declined to say whether any attempt had been made to pay the extortion demand.

"We've held up our end of the bargain, and they haven't," was all he would say.

The gambling district was crowded with tourists for the Labor Day holiday weekend, but its center was almost deserted after the authorities cordoned off a wide perimeter around Harvey's.

A crowd that remained in the Sahara-Tahoe after the area was evacuated was herded into a lobby at the end of the building farthest from Harvey's. There were screams when the bomb exploded, but they turned to cheers when it was clear that no one had been hurt.

Prediction Fulfilled

Army Maj. Michael Christy said Army explosives experts were working to separate the ignition system from the explosives when the bomb went off. The experts had hoped to move the explosives out of the building once the ignition device had been removed.

"It was very big and very sophisticated," Maj. Christy said of the bomb.

In a typewritten note delivered with the bomb, the extortionists

had predicted that any attempt to disarm the bomb would make it go off. The note had demanded the helicopter and \$3 million as the price for instructions on how to disarm it.

Throughout Tuesday and yesterday, federal agents, local officials and military demolition experts had discussed how to deal with the emergency. Demolition specialists had placed instruments next to the bomb, officials said, and then had run a long cable from the casino to their command post. The instruments permitted them to determine that the object was indeed a bomb.

StateLine, long popular with residents of the San Francisco Bay area, has five major casinos, including Harvey's, as well as more than a dozen smaller motels, all of which were evacuated.

Within 15 minutes of the blast, some of the tourists who had been taken from the casino area in buses were back at the gaming tables, and the whirring of slot machines had resumed.



Debris is sent into the air after bomb exploded on Wednesday at a hotel-casino in Lake Tahoe.

Congressional Doubts on Somalia Threaten U.S. Plan

By George C. Wilson
WASHINGTON, Aug. 28 (WP) — The first significant congressional opposition to President Carter's plan for a quick-reaction force in the Indian Ocean theater has emerged from a dispute over Somali troops in Ethiopia's Ogaden.

The Central Intelligence Agency, in what some congressmen considered a direct contradiction of State Department assurances, told a secret session of the House Foreign Affairs subcommittee that elements of three Somali regular battalions were still in the Ogaden.

The CIA sources said, also told the subcommittee on Tuesday that 300 to 1,000 Somali regulars were serving as volunteers with the insurgents trying to annex the Ogaden to Somalia.

Although Chairman Stephen Solarz, D-N.Y., would not confirm those estimates, he said yesterday that there was indeed "a sharp difference" between what the State Department had told his subcommittee in public and what the agency had said in secret about the Somali troop presence in the disputed region.

Military Relationship
This discrepancy, he said, triggered the drafting of a letter to Secretary of State Edmund Muskie setting forth subcommittee fears about entering into a military relationship with Somalia in exchange for U.S. use of its ports of Berbera and Mogadishu on the Horn of Africa.

The House panel can protest, but not stop, the Carter administration's planned arms sales to

Somalia as part of a recently negotiated agreement on the ports.

Since the Africa subcommittee is a key congressional review panel for administration policies in Africa, its opposition to the Somali military agreements could mark the beginning of a wider congressional challenge to the blueprint for the "rapid-deployment force."

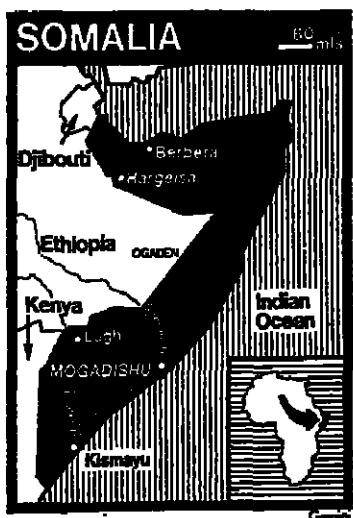
The rapid-deployment force is a combination of existing Army, Navy, Air Force and Marine units that will be trained to respond quickly in various-sized task forces to trouble spots around the world. The oil-rich Gulf region is the prime focus of contingency planning at the moment.

The Pentagon views Somalia's ports of Berbera and Mogadishu as vital stopping off points for the U.S. Navy in peacetime and crucially needed launching pads for U.S. forces in times of crisis in the Indian Ocean theater.

Rep. Solarz and his subcommittee allies are challenging the wisdom of getting the United States entangled through military agreements with a country like Somalia, which is fighting an on-again, off-again war with its neighbor, Ethiopia.

[The Associated Press reported from Nairobi that Somalia claimed today that its forces had repulsed an invasion of Ethiopian troops. The Somali government news agency said a communiqué from the Defense Ministry in Mogadishu reported that Ethiopian soldiers had suffered 90 dead and 10 injured, while Somali forces sustained 24 dead and 30 injured.]

[At the same time, the AP continued, Ethiopia pronounced itself "astonished" by reports that its troops



had invaded Somalia, asserting that claims to this effect were merely designed "to cover up Somalia's aggression recently committed against Ethiopian territory."

The Ethiopian Embassy in Nairobi released a statement that said Somali claims yesterday that Ethiopian Army forces, backed by air strikes, had invaded northwestern Somalia along a 27-mile (45-kilometer) front, were without foundation.

'Hobson's Choice'
Once the United States links itself militarily with Somalia, Rep. Solarz contended yesterday, U.S. leaders will find themselves confronted with this "Hobson's choice": whenever the Somali-Ethiopian conflict heats up, "Stand by and do nothing, and be accused of abandoning another friend; do something and get involved in a regional conflict."

The Carter administration itself has debated those poles of argument in past conflicts in Africa. Soviet-financed Cubans in Ethiopia are particularly vexing to some administration leaders looking for a way to combat Soviet influence on the continent.

Richard Moose, assistant secretary of state for African affairs, had tried to reassure the House Africa subcommittee on Tuesday that Somalia was no longer seeking a military solution to the Ogaden conflict, but a political one.

Asked repeatedly by Rep. Solarz whether there were any significant number of Somali regular troops still in the Ogaden, Mr. Moose said: "I do not believe there is any significant body of Somali forces in the Ogaden. I doubt there are any Somali battalions. It's very possible there are some Somali patrols."

Shortly after Mr. Moose gave those and other assurances of Somalia's good intentions, the subcommittee went into executive session to hear the CIA's estimate of Somali troop presence in the Ogaden. Although the estimates were hedged, subcommittee members emerged with the conviction they had heard two conflicting reports.

Rep. Solarz predicted yesterday that the majority of his eight-member subcommittee would sign the letter to Mr. Muskie opposing the start of arms sales to Somalia and other military links.

Red Sea Base
CAIRO, Aug. 28 (LAT) — The United States is considering spending as much as \$2.6 billion to improve a remote Egyptian Red Sea

port and airstrip for possible use as a Middle East staging base, highly reliable sources said here yesterday.

An earlier report had said that the upgrading of the airstrip on the small peninsula known as Ras Banas would cost about \$400 million. Highly placed sources here said the project could be far more extensive than the report suggested, with an outside limit of \$2.6 billion.

However, the sources were careful to point out that despite news leaks in Washington and Cairo, the proposal was still tentative and would not take firm shape until a team of experts from the U.S. Defense Department arrives in Egypt to examine the facilities. Such a team is expected to arrive in the next few weeks.

Foreign Minister Gen. Kamel Hassan Ali said yesterday that discussions were held some time ago between the two countries on the use of Ras Banas. He said the Red Sea base "is one of the points where it was agreed to grant facilities to the United States."

The base consists of a poorly equipped harbor — known as Benna — capable of taking small cargo ships, and a single-strip airfield suitable for limited operations involving jet fighters.

The cost of bringing the airfield up to U.S. Air Force standards and upgrading the port to accommodate U.S. warships and large cargo vessels could be as much as \$2.6 billion, but a less ambitious program of improving the air base alone could be accomplished for about the \$400 million mentioned in the earlier report, the sources said.



John Gunther Dean

Beirut Said To Query 2 In Ambush

BEIRUT, Aug. 28 (AP) — Military interrogators questioned two young Lebanese men in strict secrecy today in connection with last night's attempt to assassinate U.S. Ambassador to Lebanon, John Gunther Dean, security sources reported.

They said the two men were arrested in a pine forest shortly after Mr. Dean's three-car convoy ran into a hail of machine-gun fire en route from his suburban residence in Yarz to a dinner engagement at the American University in Beirut.

The sources declined to reveal the identity or political leaning of the two men, saying only that they were Lebanese and in their 20s. Other sources said a third man with a gunshot wound in the shoulder was also arrested.

The 54-year-old ambassador, his French-born wife, Martine, their college-age daughter Catherine and all other members of their party escaped unscathed from the ambush, which was on the Beirut-Damascus highway. Mr. Dean is a former U.S. ambassador to Denmark, Cambodia and Laos.

The gunmen fired and missed with a rocket-propelled grenade, but at least 20 machine-gun bullets hit the three cars in the convoy. Security men in the ambassador's convoy returned fire and punctured the tires of the attackers' car.

The U.S. ambassador to Lebanon during the 1975-76 civil war, Francis Meloy Jr., and an economic counselor, Robert Waring, were assassinated while passing from West to East Beirut four years ago.

Later last night, gunmen wielding automatic rifles dragged Spanish Ambassador Luis Jordana de Pozas and his wife from his car and drove off in the embassy vehicle, the diplomat said, leaving the couple standing unharmed by the roadside.

"I told them I was the Spanish ambassador, but they didn't seem to care," he said. He added that he had no idea who they were.

In a military development, an Israeli gumbot exchanged fire with Palestinian guerrillas while Israeli jets and helicopters fired rockets in southern Lebanon during the night, a United Nations spokesman said today. There were no reports of injuries, he said.

A one-sentence statement by Israeli military authorities said Israeli forces had struck "terrorist targets along the Lebanese coast." Israel has been stepping up its war on Palestinian guerrillas since Israeli commandos raided guerrilla positions 10 days ago in the largest military operation in recent years.

The UN spokesman said that earlier yesterday two separate UN observer patrols were stopped and detained briefly, one by the Israeli-backed Christian militia of Saad Haddad and a second by armed men believed to be Lebanese leftists.

Mr. Postell was telephoned by McCordale, Johnnie Johnson, Troy Leon Gregg and David Farrell a few hours after they escaped. Mr. Postell twice called officials at the prison to report the breakout.

Soon after, agents of the Georgia Bureau of Investigation went to the Postell home, ostensibly to offer protection. While Mr. Postell was asleep, the agents searched the house and confiscated five letters written to him and his wife by death row inmates. Last week U.S. District Judge Wilbur Owens of Macon ruled that the search had been improper but said that the bureau could keep the letters until final disposition of Mr. Postell's federal complaint against the bureau.

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WORLD NEWS BRIEFS

China Rejects Reagan's Taiwan Explanation

PEKING, Aug. 28 (WP) — China's leaders have rejected Republican presidential candidate Ronald Reagan's explanation of his stand on U.S. relations with Taiwan.

An authoritative front-page commentary in the People's Daily objected to Mr. Reagan's insistence that the U.S. Taiwan Relations Act govern Chinese-American relations. The act includes assurances of American support in case of a threat to Taiwan's security, and Peking has said this provision violates its sovereignty over the island.

At a press conference in Los Angeles Monday, Mr. Reagan withdrew earlier statements that if elected president, he would seek to re-establish official U.S. relations with Taiwan and said he would accept continuation of the present unofficial relations as carried out by the American Institute, a private foundation financed by the U.S. government.

Badran Replaces Rimawi as Jordan Premier

AMMAN, Jordan, Aug. 28 (UPI) — Under orders from King Hussein, Qasem al Rimawi resigned as Jordan's premier today and Mudar Badran stepped back into the job barely nine months after resigning from it.

The shakeup brought in Jordan's fourth government in nine months, but diplomatic sources said little, if any, change was expected in the country's foreign or domestic policies.

Mr. Badran, 46, former legal and intelligence expert, resigned Dec. 19 as part of what was described as King Hussein's "sweeping campaign of social development." The king gave the task to his close friend and adviser, Abdul Hamid Sharif, whose death in July resulted in Mr. Rimawi's appointment as premier.

Russia Accuses West of Delay on Arms Talks

MOSCOW, Aug. 28 (AP) — The Soviet Union today renewed its call for early arms control talks with the West, accusing the NATO countries of blocking Soviet proposals with "an iron curtain of silence."

The Soviet Communist Party daily Pravda accused Washington of deliberately delaying a Western response to a Soviet appeal two months ago, made by President Leonid Brezhnev, for talks on medium-range European missiles and forward-based U.S. nuclear arms.

In response to earlier Soviet charges, the U.S. State Department yesterday denied any "foot-dragging" by Western powers. A spokesman said NATO member nations would be coordinating their strategy on arms talks in mid-September.

Priest Found Guilty of Anti-Soviet Actions

MOSCOW, Aug. 28 (AP) — The Rev. Gleb Yakunin, a dissident Russian Orthodox priest, was found guilty today of anti-Soviet activities and sentenced to five years in labor camp and five years of internal exile, his wife reported.

Yakunin, 54, was arrested in a four-day trial, said "irrefutable evidence" showed that Mr. Yakunin maintained "criminal connections with subversive centers abroad" and discussed with them "concrete questions of coordination of actions hostile to the Soviet Union."

Mrs. Yakunin said that her husband told the court yesterday that his activities were "my religious duties as a priest" and denied that his work aimed at "subverting the state. Mr. Yakunin, who was arrested Nov. 1, was a founding member of the Christian Committee for the Defense of the Rights of Believers in the U.S.S.R., an organization that gathered and disseminated information on alleged violations of religious rights.

Colombia, Turkey to Close Jerusalem Offices

TEL AVIV, Aug. 28 (UPI) — Switzerland has refused to sign a technical pact with Israel in Jerusalem, and Colombia has notified Israel that it will move its embassy from Jerusalem to Tel Aviv, Swiss and Israeli Foreign Ministry officials said today.

Turkey, meanwhile, has decided to close its consulate general in Jerusalem because of Israel's violation of the international status of the city, the Turkish Ministry of Foreign Affairs said.

Ten nations now have decided to move their embassies as a result of Israel's declaration that all of Jerusalem is its capital. Of the 13 countries that had embassies in Jerusalem, only Guatemala, Bolivia and the Dominican Republic have not made a decision to move to Tel Aviv.

Moon's Church Loses in Court Suit To Father Who Fought to See Child

CONCORD, N.H., Aug. 28 (AP) — A father who fought for five years to see his daughter, only to hear her speak against him in court, has been awarded \$30,000 by a federal court jury yesterday after arguing that the Rev. Sun Myung Moon's Unification Church violated his rights as a parent in recruiting to have her back.

Mr. Kieffer said he filed the suit to force the church to produce his daughter in court. He said it was a "devastating" experience "to see her on the stand, testifying for the Unification Church and against her family."

Mr. Kieffer said he believed the suit to force the church to produce his daughter in court. He said it was a "devastating" experience "to see her on the stand, testifying for the Unification Church and against her family."

Iran Executes 7 More for Plot Against Rulers

TEHRAN, Aug. 28 (Reuters) — Seven men convicted of plotting to overthrow the Iranian government last month were publicly executed in a park in the southwestern Iranian city of Ahwaz today, the official news agency reported. The men, five soldiers and two civilians, were shot by a firing squad, it said.

A total of 81 persons, most of them military personnel, have now been executed for involvement in the abortive conspiracy, which was revealed by the government on July 10. About 500 persons have been arrested.

Meanwhile, Amnesty International said in London today that it has appealed to Iran's new premier, Mohammad Ali Rajai, to halt the execution and imprisonment of people for their beliefs or opinions.

U.S. Plans Airlift Of War Wounded

ST. LOUIS, Aug. 28 (UPI) — Because of what military officials say is an unprecedented Soviet military buildup, a pilot plan has been set up to airlift casualties from war zones anywhere in the world to civilian hospitals in the United States.

Lt. Gen. Paul Myers, surgeon general of the Air Force, briefed hospital officials in the St. Louis area yesterday on a program called the "Civilian Military Contingency Hospital System," in which local hospitals would receive war victims.

"It would be very probable that any conflict would be intense and short, with a great number of casualties," Gen. Myers said. "Because of this, we need a supplementary system." Gen. Myers said the program initially would be concerned with victims of conventional and chemical, but not nuclear, warfare.

W. German Passport Sought by Russian

MUNICH, Aug. 28 (AP) — Soviet violinist Gidon Kremer, who last week announced his intention to stay in the West, has applied for West German citizenship, his record company said today.

Mr. Kremer and his wife, currently on a concert tour of Italy, have settled temporarily in Munich, a statement said.

Tass Warns That 'Anti-Socialist Forces' Are Trying to Destroy System in Poland

By Dusko Doder
MOSCOW, Aug. 28 (WP) — In its first direct criticism of striking Polish workers, the Soviet Union last night charged that "anti-socialist forces" were trying to subvert Poland's political system.

The charge by Tass came after strike leaders at the Baltic port of Gdansk rejected as insufficient Polish leader Edward Gierek's concessions, which included an offer of

Libyan Soldiers Ejected by Malta Over Oil Dispute

VALLETTA, Malta, Aug. 28 (AP) — Malta expelled a Libyan military contingent today in a dispute over oil-exploration rights that has soured formerly close relations between the two countries.

A government statement said that about 50 Libyan soldiers teaching the Maltese how to operate helicopters had been "our friends [but] must now be regarded as a risk to the safeguard of our country's freedom." The Libyans began leaving immediately.

Libyan leader Col. Moamer Qadhafi in the past has strongly supported Prime Minister Dm Mintoff's plan to move Malta away from Western influence and Libyan investments on the island reportedly as much as \$120 million. The two countries are separated by only 196 miles of water, but relations have been deteriorating rapidly over Libya's refusal to establish a clear demarcation line so Malta can explore for oil in the Mediterranean.

Last week, Texaco suspended drilling operations off Malta's southern coast after a Libyan warship threatened an exploration vessel operating on Texaco's behalf on the grounds that it was working illegally in Libyan waters.

Libya claims territorial sovereignty over the Medina Bank, part of Malta's continental shelf and refuses to recognize exploration rights granted by Malta to several international oil companies in 1973. Libya also has refused to recognize a ruling on the dispute by the International Court of Justice at The Hague.

Small Quakes in Hawaii

VOLCANO, Hawaii, Aug. 28 (UPI) — The Chain of Craters Road in Volcanoes National Park has been closed following a series of small earthquakes that rumbled through Kilauea volcano yesterday. Park officials said there was no indication of an eruption.

free and secret trade union elections.

Tass had previously confined itself to carefully worded reporting of official Polish statements on the upheaval in that country and had accused unspecified Western circles of using the Polish developments to "blacken and discredit Socialism."

Last night, commenting directly on the crisis, Tass said: "Exploiting various subjective and objective difficulties that have arisen in the country, and Socialist elements are trying to join efforts in order to push the West German Socialist road — a road that meets the vital interests of the entire Polish people."

"The Socialist system alone is the unshakable basis on which People's Poland can successfully advance in all fields."

Part of News Roundup
The comments were included in what Tass described as a roundup of news about the Polish situation. It was clear, however, that they were approved by top Kremlin officials, since they represented a departure from the low-key reports on the political dispute.

Moreover, Tass spoke about "anti-Socialist elements" in Poland rather than unnamed imperialist forces outside that country as being responsible for the unrest. It noted that "a number of big enterprises in Gdansk and Szczecin" have not resumed work and that "this is causing considerable damage to the interests of the Polish people."

Stuntman Killed In Bridge Dive

SAN FRANCISCO, Aug. 28 (AP) — A West German stuntman apparently trying to set a world high-diving record was killed Tuesday when he jumped from the Golden Gate Bridge and landed on his back going more than 100 mph.

The 34-year-old Wolfgang Kopke — 1979 European high-diving champion — fell 250 feet. He was wearing a diver's suit, water-ski jacket, life preserver and wrestling shoes for protection.

Mr. Kopke's business card listed his specialties as all-style karate, racing motorcycles through fire tunnels, high-speed crashes and endurance swimming for Stunts Unlimited of Hamburg, California. Authorities are looking for a German movie crew that apparently filmed the attempt.

Guatemalan Is Slain

GUATEMALA CITY, Aug. 28 (UPI) — Unidentified gunmen shot a schoolteacher to death in front of a group of students in the town of Nebaj yesterday, authorities said.

Polish Strikers End Talks; Situation Called 'Serious'

(Continued from Page 1)
blamed for this," the source added.

The Polish Communist Party newspaper Trybuna Ludu, meanwhile, said "enemies of Socialism have been trying to break up the union movement for a long time."

The editorial said the workers who have walked out are following a course "aimed at splitting the unity of the Polish working class, provoking internal struggle, setting loose a wave of settling of accounts and bringing anarchy into public life."

Mr. Walsza told Mr. Jagielski that the Trybuna Ludu attack "offended us."

Mr. Jagielski, who assured the strikers they need not fear consequences for their action, heard several accounts of workers being harassed by security agents.

Friend Roughed Up
One woman striker, Henryka Krywczow, said a friend of hers was roughed up last week while collecting money for a monument the strikers want to erect in memory of shipyard workers who died in labor riots 10 years ago.

The strike leaders unexpectedly canceled a vote today on the government's compromise proposals to end the strike and returned to the negotiating table.

The rumors about Mr. Gierek resigning recalled the labor discontent over rising prices that forced Mr.

Brussels Girl Abducted
BRUSSELS, Aug. 28 (AP) — Ariane d'Aumunzio, 13-year-old daughter of Italian-born ice cream manufacturer Ernesto d'Aumunzio, was kidnapped yesterday in Brussels, police reported today.

Artist Arrested In Mexico City Museum Theft

MEXICO CITY, Aug. 28 (AP) — Police have arrested a 23-year-old surrealist painter accused of stealing five European masterpieces valued at \$2.7 million from a Mexico City museum, a spokesman said yesterday.

The commander of the state police in Toluca, west of the capital, said Alberto Morales Hernandez confessed to stealing the paintings "spontaneously," claiming he was going to send them back as soon as he wrote a book titled "How I Robbed the San Carlos Museum."

Comdr. Margarito Villagrana said he had recovered the paintings at the artist's house on the outskirts of the city, and Mr. Morales "has only been charged with robbery. He did not destroy the paintings or try to sell them."

The paintings — by Rubens, Van Dyck, Tintoretto, Van Craeck and Van Kessel — were stolen in mid-July from the San Carlos Museum in central Mexico City.

Poland Asks Increase in Food Help

(Continued from Page 1)
Socials on Monday, the congress's representatives submitted a memorandum that said concern about not giving the Soviet Union a pretext for intervention was misplaced.

"The Soviet Union does not need a pretext to intervene militarily," the memo said. "It will — pretext or no pretext — if and when it concludes that the monopoly of Communist power and the cohesiveness of the Warsaw Pact bloc is being challenged."

The memorandum called on the United States to "immediately establish a strong economic assistance program to Poland." It cited four areas: the increase of grain credits to \$670 million; a rescheduling of the repayment of Poland's foreign debt, which is about \$20 billion to all Western countries; an emergency food program; and a doubling of Poland's fishing quotas in Alaskan waters.

State Department officials said the proposals are under consideration by the administration, but one official said that the United States is reluctant to take the lead in offering such moves might be misinterpreted by the Russians.

Over the years, the United States has provided Poland with considerable assistance in making up its grain deficits. Through the late 1950s and 1960s, Poland received about \$80 million in Food-for-Peace grants. In recent years, it has had to pay for its imports, mostly feed grains, but has received credits through the Commodity Credit Corp.

Poles Seek Delay in Plant Talks

TOKYO, Aug. 28 (AP-D) — The Polish government has asked a Japanese trading company to postpone negotiations over the purchase of a petrochemical plant estimated to be worth \$100 million, officials said today. A spokesman for Mitsui & Co. said the Poles did not indicate why they want the delay.

Georgia Editor, Wife Are Accused Of Trying to Aid Convicts' Escape

REIDSVILLE, Ga., Aug. 28 — Criminal indictments were returned yesterday against Charles Postell, state editor of the Albany Herald, and his wife, Judi, charging them with attempting to help four inmates to escape from the Georgia State Prison here on July 28.

The Postells and Minnie Hunter, the aunt of one of the escapees, Timothy McCorquodale, were charged with criminal attempt to aid escape, a felony that carries a prison sentence of up to 2 1/2 years. Mrs. Hunter earlier had been charged with the more serious crime of aiding escape.

Mr. Postell said the whole case against him was fabricated because of articles he has written linking an agent of the Georgia Bureau of Investigation with drug deals. He said his wife was indicted "because she's an important part of my life." The

indictments alleged that Mrs. Postell had bought 10 hacksaw blades and given them to Mrs. Hunter, who is accused of mailing them in four packages to the death row inmates.

But the blades were intercepted by prison officials, said District Attorney Dupont Cheney, and were apparently not the ones used by the inmates to make their escape. Eleven persons, including a corrections officer and a guard, have been charged in the escape.

Mr. Postell was telephoned by McCordale, Johnnie Johnson, Troy Leon Gregg and David Farrell a few hours after they escaped. Mr. Postell twice called officials at the prison to report the breakout.

Soon after, agents of the Georgia Bureau of Investigation went to the Postell home, ostensibly to offer protection. While Mr. Postell was asleep, the agents searched the house and confiscated five letters written to him and his wife by death row inmates. Last week U.S. District Judge Wilbur Owens of Macon ruled that the search had been improper but said that the bureau could keep the letters until final disposition of Mr. Postell's federal complaint against the bureau.

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House Unit Charges News Leak on Plane

By Richard Burr

WASHINGTON, Aug. 28 (UPI) — Members of a House subcommittee, after hearing witness testimony yesterday, charged that secret information on an "invisible" aircraft project was leaked to a journalist so that the Defense Department could later officially disclose the existence of the program.

The charge was made after Benjamin Schmitter, editor of the Armed Forces Journal, told members of the House Armed Services subcommittee on research and development that a senior Pentagon official disclosed details of the Air Force's "stealth" aircraft program and encouraged him to write an article about it early last week, four days before Secretary of Defense Harold Brown held a highly publicized press briefing on the subject.

At the briefing last Friday, Mr. Brown announced that the Air Force had developed new aircraft that were nearly undetectable by radar. The development, he said, "alters the military balance."

Mr. Schmitter told the subcommittee that during his Pentagon briefing he was told that Mr. Brown would not announce the Air Force's project until after his article appeared in print. Mr. Schmitter also said that in his view, the decision to disclose details of the secret program was irresponsible.

The Associated Press reported that Mr. Brown has been called before the subcommittee to answer under oath whether details of the new program were deliberately leaked. Rep. Robin Beard, R-Tenn., said today, adding that, if the House investigation finds secret information was illegally disclosed, he will "demand criminal prosecution."

A high-level Defense official in charge of security matters told the committee that William Perry, undersecretary of research and engineering, had given the information to Mr. Schmitter, but strongly denied that any breach in security regulations had occurred.

The disclosure that Mr. Schmitter apparently received an officially sanctioned leak is almost certain to fuel the growing debate over whether the Carter administration is misusing sensitive national security information for domestic political purposes.

In yesterday's hearing, several members of Congress made similar charges, suggesting that Mr. Schmitter had been given information on the new program so that the Pentagon could then announce that it was working on a new generation of invulnerable aircraft. The chairman of the subcommittee, Rep. Samuel Stratton, D-N.Y., said: "It is quite clear from information that has been given us that the Department of Defense is more interested in convincing the public that it is doing a great job than in turning over secrets to the Soviet Union."

In his news conference last Friday, Mr. Brown said he was releasing information on the program, in part, because of articles on the subject in the press. Later, Thomas

Ross, the assistant secretary for public affairs, said the initial disclosure of the aircraft program had not come from the Pentagon or elsewhere in the administration.

Pentagon aides said that Mr. Ross was on vacation and could not be reached. But a Pentagon spokesman said that in his statement, Mr. Ross was not referring to the Armed Forces Journal article, which was published last Wednesday, but to two earlier reports that contained only incomplete details of the Air Force program.

These reports, one in The Washington Post and the other on ABC-TV, the spokesman said, were mainly responsible for Mr. Brown's decision to go public with the "stealth" program.

Speaking under oath, Mr. Schmitter told the subcommittee that the Armed Forces Journal had learned of the existence of the "stealth" program in early 1978, but that Pentagon aides persuaded him at that time not to publish anything about it on national security grounds. The magazine is a specialized journal on military affairs, which has frequently criticized military decisions by the administration.

Mr. Schmitter said that after the incomplete stories on the "stealth" project earlier in the month, he was contacted by telephone on Aug. 18 and offered a briefing on the subject.

In a statement released Tuesday night, the Pentagon said that, "in view of the fact that Schmitter had withheld information for two years, and with the approval of the secretary of defense, Perry scheduled an appointment with Schmitter on 18 August, told him that we judged that the program's existence was no longer protected and offered to answer questions and that could be answered within security guidelines."

Carter Offers Lower-Bracket Tax Relief Aiming at Traditional Democratic Vote

By Edward Cowan

WASHINGTON, Aug. 28 (UPI) — The tax relief program that President Carter proposed to Congress today would concentrate the relief in middle-income and low-income brackets, where the Democratic Party traditionally has reaped its biggest harvest of votes, according to a congressional analysis.

In contrast, the across-the-board rate cuts recommended by the Republican Party and by Democrats on the Senate Finance Committee would give a much larger share of the relief to persons with incomes of more than \$30,000 a year.

President Carter presented his economic program at a White House ceremony attended by leaders of Congress, business, labor, state and local governments and environmental, minority and social policy groups.

Credit vs. Cut

He depicted his tax relief approach as one that would roughly offset next year's increase in the Social Security payroll tax. The Republicans and the Senate committee, on the other hand, are talking about offsetting that rise and also giving taxpayers relief from the higher tax rates that result from wage inflation.

Mr. Carter proposed an income tax credit — an amount subtracted from taxes owed — equal to 8 percent of Social Security taxes paid in 1981 by employees and employers.



PLUNGING — A 29-year-old man leaped to his death Wednesday from the 14th floor of the San Francisco Veterans' Administration building, ignoring pleas from friends and the police. He used a hammer to break out the window and jumped.

That formula would give most taxpayers less tax benefit than they would get from the Finance Committee's bill or from the 10 percent across-the-board rate reduction recommended by Ronald Reagan, the Republican presidential candidate.

The difference would be greatest for persons who earn more than \$29,700 in 1981. That will be the maximum wage base against which the 6.65 percent Social Security payroll tax will be applied. This year the tax is 6.13 percent and the taxable wage base is \$25,900. The maximum 1981 Social Security payment by an employee would be \$1,975.05 and a 8 percent maximum credit against income taxes would be \$158.

Thus, a single worker earning \$40,000 would get \$349 in tax relief from the Finance Committee bill and \$158 from the Carter formula. An analysis of the committee's bill, prepared by the staff of the Joint Committee on Taxation, includes estimated savings from the reduction in capital gains taxation approved by the Senate Finance Committee and likely to be opposed by the administration.

A married couple with two children and a gross income of \$60,000 would save \$778 under the committee bill. If the husband and wife each earned \$30,000, their credits under the Carter plan would total \$316.

The staff analysis shows that the Carter plan would give 25 percent of the total proposed tax relief to those who make \$30,000 or more, compared to 42 percent in the Finance Committee's bill and 49 percent under the Republican 10 percent formula.

Conversely, persons earning less than \$15,000 would get 28.2 percent of the relief under Mr. Carter's plan, 21.9 percent under the Finance Committee's bill and 13.9 percent under the Republican formula.

The notion of offsetting next year's bigger Social Security tax by an income tax credit was first proposed by Rep. Richard Gephardt, D-Mo., and has been sponsored in the Senate by Sen. Bill Bradley, D-N.J.

Rep. Gephardt has explained that an outright reduction of the payroll tax would raise questions about the ability of the Social Security trust fund to pay old-age and survivor benefits. So he took an indirect route that he has acknowledged would amount to back-door funneling of general Treasury revenues into the Social Security system.

It was partly on that ground that Sen. Daniel Moynihan of New York and other Democrats on the finance committee last week informally rejected the Gephardt-Bradley approach in favor of across-the-board income tax rate cuts. Sen. Bradley, also a member of the Finance Committee, said at the time that he was satisfied.

Rep. Gephardt proposed a 10 percent credit, which would offset not only the rise in the payroll tax but also some or all of the extra cost for anyone who gets a pay increase in 1981. Anyone who earns at least \$29,700 this year and again in 1981 will pay an extra \$387 in Social Security taxes next year, more than double the prospective credit of \$158.

Rep. Gephardt has proposed that the credit be payable in cash if it exceeds the income taxes owed by a worker or employer. The administration is expected to accept that feature and also propose that cash payments be made to those state and local governments that participate voluntarily in Social Security — and which file no tax returns.

That could mean cash payments of more than \$500 million to state and local governments under an 8 percent credit, Social Security Administration data indicate.

Carter Praises Mugabe, Cites Own Policies

By David B. Ottaway

WASHINGTON, Aug. 28 (UPI) — In a ceremony laden with political symbolism, President Carter gave a warm welcome yesterday to the new prime minister of Zimbabwe, Robert Mugabe, proclaiming him already a "notable world leader" and the head of a "great new republic."

The president, who played a crucial role in promoting the elections that finally brought Mr. Mugabe to power in April, praised the peaceful transition to black majority rule in Zimbabwe as a victory for his own human rights policy and justification for his personal interest in black Africa over the past four years.

Mr. Carter drew a direct parallel between the struggles to overcome racial strife and reconcile blacks and whites in Zimbabwe and such struggles in the United States. He said the principles and ideals espoused by Mr. Mugabe were "very similar, perhaps even identical," to those of the United States.

Speaking at a packed reception in the East Room, Mr. Carter used the occasion to salute two black diplomats, Andrew Young and Donald McHenry, who were standing behind him, for what he called their instrumental role in the long, tortuous negotiations that finally led to a

U.S. Role in Zimbabwe Stressed In Politically Tinged Ceremony

resolution of the eight-year war in the former British colony.

"They never let me forget your struggle," he told the Zimbabwean prime minister, "and they never let members of Congress forget the burning issues involved ... in your struggle."

To all appearances, Mr. Carter was using the occasion of a rare public appearance with Mr. Young, his former ambassador to the United Nations, to shore up his sagging popularity within the black community, where Mr. Young is extremely popular and where his resignation over the Palestine issue just a year ago this August still is deeply resented.

Mr. Carter repeatedly praised Mr. Young and Mr. McHenry for their role in both the U.S. civil rights struggle and the Zimbabwean negotiations, crediting them for a major breakthrough in both fields.

Mr. Carter also quipped that he had asked Mr. Mugabe to come to the White House "to observe closely the techniques you have used in your successful political effort" as he himself gears for an uphill struggle in the forthcoming presidential race.

The Zimbabwean leader was effusive in his praise for Mr. Carter's "kind of solo effort" in blocking congressional efforts in 1978-79 to force U.S. recognition of the short-lived white-recognized government of Bishop Abel Muzorewa and to repeal the economic sanctions in force against it.

Wishing the president well in his campaign for re-election, Mr. Mugabe in turn quipped that Mr. Carter would be assured of victory if he were running in his country.

Here on a one-day visit to appeal for more U.S. economic assistance for his hard-pressed government, Mr. Mugabe first addressed a gathering of 35 House members and then met with Secretary of State Edmund Muskie for a working lunch before meeting with Mr. Carter.

U.S. Military Budget Passed by Congress

WASHINGTON, Aug. 28 (AP) — The military spending bill has been overwhelmingly approved by Congress and sent to President Carter. The Senate passed the bill 78-2 on Tuesday. Earlier, the House had passed it 360-49.

The measure authorizes \$52.9 billion for military procurement, research and development, civil defense and educational benefits for military personnel. The figures is \$5.9 billion above what the administration sought.

Vanuatu Rebels Burn Important Processing Plant

VILA, Vanuatu, Aug. 28 (AP) — Separatist rebels burned down a coconut-processing plant on Espiritu Santo island yesterday, striking a heavy blow to its agricultural economy, a government spokesman said today.

The spokesman, John Beasant, added that as a result military action was imminent against the rebel-held village stronghold of Vanalo. He said the mill fire ended what patience government and military authorities had left for the rebels, who are defying the central government in Vila, capital of the former New Hebrides islands, which became independent from France and Britain July 28.

Espiritu Santo was taken over in May by the rebels, who are led by Jimmy Stevens, a tribal chief. Mr. Stevens has recently made statements softening his demands and looking for a compromise with the new central government of Prime Minister Walter Lini.

The Vanuatu government called in 3,000 troops from neighboring Papua New Guinea after Britain and France, which had maintained a post-independence peacekeeping force on Espiritu Santo, failed to end the rebellion.

Japanese Group Warns on China

TOKYO, Aug. 28 (UPI) — The Japan Institute of Foreign Affairs today called for all possible measures to prevent China from becoming a military and economic threat to the West.

The research institute predicted that "China, with a population of over 1 billion people, will emerge as a nation with tremendous economic and military power in the 21st century. China is a country which possesses unpredictable behavioral patterns ... and it is possible leaders with different intent from the present leadership will come to power."

To prevent a military and economic threat from Peking, the institute called for efforts to force China "to maintain interdependent relations with the West, including neighboring Asian and Pacific nations, and keep it in an international framework for peace and security of the world, including disarmament."

stance, but he did not say whether his committee would approve all of it outright.

Mr. Mugabe has been seeking \$350 million here and in Britain for war reconstruction and for the resettlement of 250,000 refugees outside the country and upwards of 2 million displaced persons inside.

He has also mentioned the figure of \$5 billion as being needed for a long-term economic development program.

Walls' Departure Urged

LONDON, Aug. 28 (UPI) — Mr. Mugabe renewed his attack on Lt. Gen. Peter Walls today, warning that he would take every possible step to get the controversial former armed forces commander to leave the country.

"Walls is just one man out of step," Mr. Mugabe said at London airport on his arrival from Washington. "I don't think that indicates any existence of problems in the country."

Gen. Walls created a storm earlier this month when he told a BBC interviewer that he had asked British Prime Minister Margaret Thatcher to annul Zimbabwe's pre-independence elections in March because of what he called intimidation by Mr. Mugabe's guerrillas.

Asked if there was still a place in Zimbabwe for Gen. Walls, Mr. Mugabe said, "No, categorically none at all for a man like that. I wouldn't have him and I would rather he left Zimbabwe as soon as possible."

In Salisbury, Gen. Walls declined to make any comment on Mr. Mugabe's statement.

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20 Die in El Salvador

ses in County In Political Violence

SAN SALVADOR, Aug. 28 (UPI) — Eight persons died in fighting yesterday between troops and leftist guerrillas who attacked an electric power plant in the capital's northeastern slum district, officials said.

Another 12 persons, including two leftists shot to death after burning public transport buses near San Ana, 39 miles west of the capital, died in political violence in the Central American nation, officials said.

Carter Plan Offers Tax Relief and Jobs

(Continued from Page 1)

businesses would gain other tax breaks under the Carter proposal. The current depreciation rate will be speeded up by an average of about 40 percent. This will allow companies to write off and replace old equipment and plants faster, thus keeping up with the latest changes as well as inflated costs.

Revenue Loss

The depreciation changes will lead to a revenue loss of \$6.3 billion in 1981, said Mr. Miller. That would grow to \$24 billion in 1985 under the long-range program designed to spur investment.

In addition, there would be special tax breaks for businesses in economically distressed areas. Companies in high unemployment areas could obtain a "targeted, supplemental investment tax credit" of 10 percent, Mr. Miller said.

Mr. Carter also proposed a partial cash rebate on the existing investment tax credit. Currently, only companies that make profits and pay taxes on them qualify for the credit.

These business tax changes are aimed at revitalizing U.S. industry. While they should particularly help troubled auto and steel sectors, administration officials say the revisions will help virtually all companies, including small businesses that are just starting out and have limited capital.

Industrial Area Burns in Chicago

CHICAGO, Aug. 28 (UPI) — Fire officials sifted through the charred rubble of a sprawling industrial complex along the Chicago River yesterday in an effort to determine the cause of the city's worst fire in 13 years.

Seven firemen were injured, one pumper was destroyed by a falling wall and several other fire trucks were damaged by the intense heat.

The blaze, which started late Tuesday, burned two huge buildings in the South Side complex before it was brought under control. Half the city's fire-fighting equipment was called in at one point as flames climbed hundreds of feet into the sky and explosions echoed through the fire. It was the biggest blaze since a convention center on the city's lakefront burned to the ground in 1967.

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Somalia at Arm's Length

Press reports about new fighting in the disputed Ogaden region between Ethiopia and Somalia, whether accurate or inspired, and CIA reports about Somali Army regulars taking part in actions in the desert territory, are certain to sharpen the congressional debate over whether the United States should supply arms to the Somalis in return for basing rights at Berbera and Mogadishu. The United States must increase its strength and flexibility in the area of the Indian Ocean, the Gulf and the Red Sea. There is virtually no opposition to that concept since the Iranian revolution and the Soviet invasion of Afghanistan. But there is plenty of room for discussion about how to do it.

The most important question is whether having access to those two ports will enhance or diminish Western strength in that economically and strategically critical part of the world. Somalia is situated between Oman and Kenya, where the United States has already made basing and prepositioning arrangements for its new quick-strike force. But it is much closer than either of those countries to one of the three crucial naval passages in the area, the strait of Bab el Mandeb between the Soviet-dominated Yemen and Ethiopia. The United States is also developing an air base at Ras Banas in Egypt, at the other end of the Red Sea from Bab el Mandeb. A quick glance at the map leaves no doubt of Somalia's strategic interest. Berbera is especially important.

But Somalia intends to win control of the Ogaden. And the Soviet Union intends to help Ethiopia prevent that, which raises reasonable doubts about whether the United States can sell arms to Somalia and stay out of the conflict. It is likely, for example, that despite Somali promises, the U.S.-supplied

arms will be used against Ethiopians and Cubans in the Ogaden. But that need not embroil the United States in a regional war. It should be made clear that the United States has struck a bargain of self-interest and that it is not taking up the Somali cause in the Ogaden. The administration should reiterate that position frequently to forestall criticism that the United States has sold out still another small ally. Somalia need not become an ally. Besides, the official U.S. position strongly implies that the Ogaden belongs to Ethiopia.

With respect to the Soviet Union, the whole point of strengthening the West in that part of the world is to be able to meet whatever Soviet challenge arises there. Seen in that light, it looks rather foolish to rule out bases on the ground that the deal negotiated to set them up puts the United States head-to-head against the Soviet Union. There is no reason to think that either country would risk a wider conflict over the Ogaden. In fact, the Soviet Union, which formerly supported Somalia in the area, refused to back a full-scale Somali invasion of the Ogaden and, as a result, its advisers were expelled by the Somalis and the Russians switched sides.

The key then, is to extract assurances from the administration that it will do everything required to avoid getting sucked into a closer relationship with Somalia. That should be possible because, even though Somalia offers strategic advantages, the United States has other options in the area. It is not without leverage, which was emphasized by the scaling down of Somalia's original demands from \$2 billion in aid to the current very modest \$20 million a year for two years.

INTERNATIONAL HERALD TRIBUNE.

Restraints on the Prime Rate

The prime interest rate crept up another quarter of a point in the New York financial market this week. That's an interesting example of the way interest rates move in the present economy, with its very large international flows of money and with its floating exchange rates. It's also an illustration of the dangers of thinking — as the Democratic Party seemed to think at its convention — that a government can put interest rates wherever it chooses. As the system now operates, a government does not have much discretion in managing interest rates, and mistakes are dramatically expensive.

The current lift in the banks' rates is a reaction to the probability that the recession will be short. The Federal Reserve Board seems to be restraining the growth of the money supply a little, to prevent an inflationary surge after the recession ends. That tightening raises the interest that banks pay when they borrow. The higher prime rate merely indicates that they are passing the cost on to their customers.

What if the Federal Reserve refused to tighten money? Borrowers and lenders alike would read it as evidence that American monetary authorities were prepared to toler-

ate a higher level of inflation next year than had seemed in prospect as recently as six weeks ago. Some of the lenders would then begin moving their money out of the United States to avoid that rising inflation.

The effect would be a decline in the dollar's international exchange rate. A declining dollar makes American imports cost more, which aggravates inflation further. At that point, the process becomes circular. It's the formula for a dollar crisis. That forces the government to intervene with whatever devices — sharply higher interests, credit controls, budget cuts — might be necessary to restore stability.

There was a time when the United States dominated the world economy to a degree that allowed it to ignore the rest of the world in monetary matters. That time ended at least 15 years ago, but the memory lingers in a peculiarly hazardous kind of nostalgia. The expansion of international trade and investment has brought great benefits to the American standard of living. But it's useful to remember that it also imposes genuine constraints on economic choices.

THE WASHINGTON POST.

Preaching to Gdansk Workers

A familiar abyss separates Edward Gierke from the militant workers in the silent shipyards of Gdansk. It is the Communist variant of the credibility gap. To end the widening strike, Poland's Communist Party chief is offering an enticing package: immediate economic gains and the promise of independent trade unions enjoying the right to strike. But no deal can be consummated until the workers are honestly persuaded that the state is truly committed to a change so fundamentally at odds with Communist gospel in the rest of the Soviet bloc.

It will not be an easy sale. For two weeks, the strikers have remained calmly indifferent to Gierke's pledges of reforms, to his liberalizing shakeup of the government and even to the veiled warning implicit in a roundup of dissidents. Their resistance tells how much faith they put in the paper guarantees of a system dominated by a party that is a law unto itself. The same skepticism has caused them to discount shrill predictions of catastrophe. When the party press warns that the nation's very existence is at stake, the insurgents seem to shrug. They know that a Soviet Union already bogged down in a dirty war in Afghanistan is reluctant to lose its tanks on Poland.

Nevertheless, as the talks go on, there are modest grounds for optimism. The strikers have maintained discipline and gained strength by forcing the regime to permit factory-to-factory communications. The Catholic Church seems to be positioning itself as

an intermediary. Most significant, Gierke has had to yield to his severest party critics.

Few ranking party leaders have been as outspoken as former Foreign Minister Stefan Olszowski, who has just been restored to the Politburo as national party secretary. Another key figure is Tadeusz Grabski, now a deputy premier. In a 1978 speech to the Central Committee, Grabski denied Poland's rigid, overcentralized economic planning. "Why is it," he marveled, "that, in a country that prides itself on occupying the ninth position among the most developed economies in the world... one has to stand in line for bread, detergent, soap, shoe polish, paint, shoes?" His answer was blunt. In the public mind, he said, "the responsibility for all this rests with the state, with the authorities, and, above all, with our party."

The hope for a genuine settlement may well depend on how much leeway is given these new men, who do enjoy some credibility in Gdansk. Paradoxically, it may also hinge on the willingness of the Catholic Church to come to the aid of a party whose doctrines avow that God is dead, or at best irrelevant. Poland's second most powerful figure is its primate, Cardinal Wyszyński, who against precedent was given television time to counsel prudence and patience. It attests powerfully to the disarray of Polish Communism that its leaders are seeking to enlist God and Rome in a struggle with workers who have lost their faith in the gospel of Marx and Lenin.

THE NEW YORK TIMES.

In the International Edition

Seventy-Five Years Ago

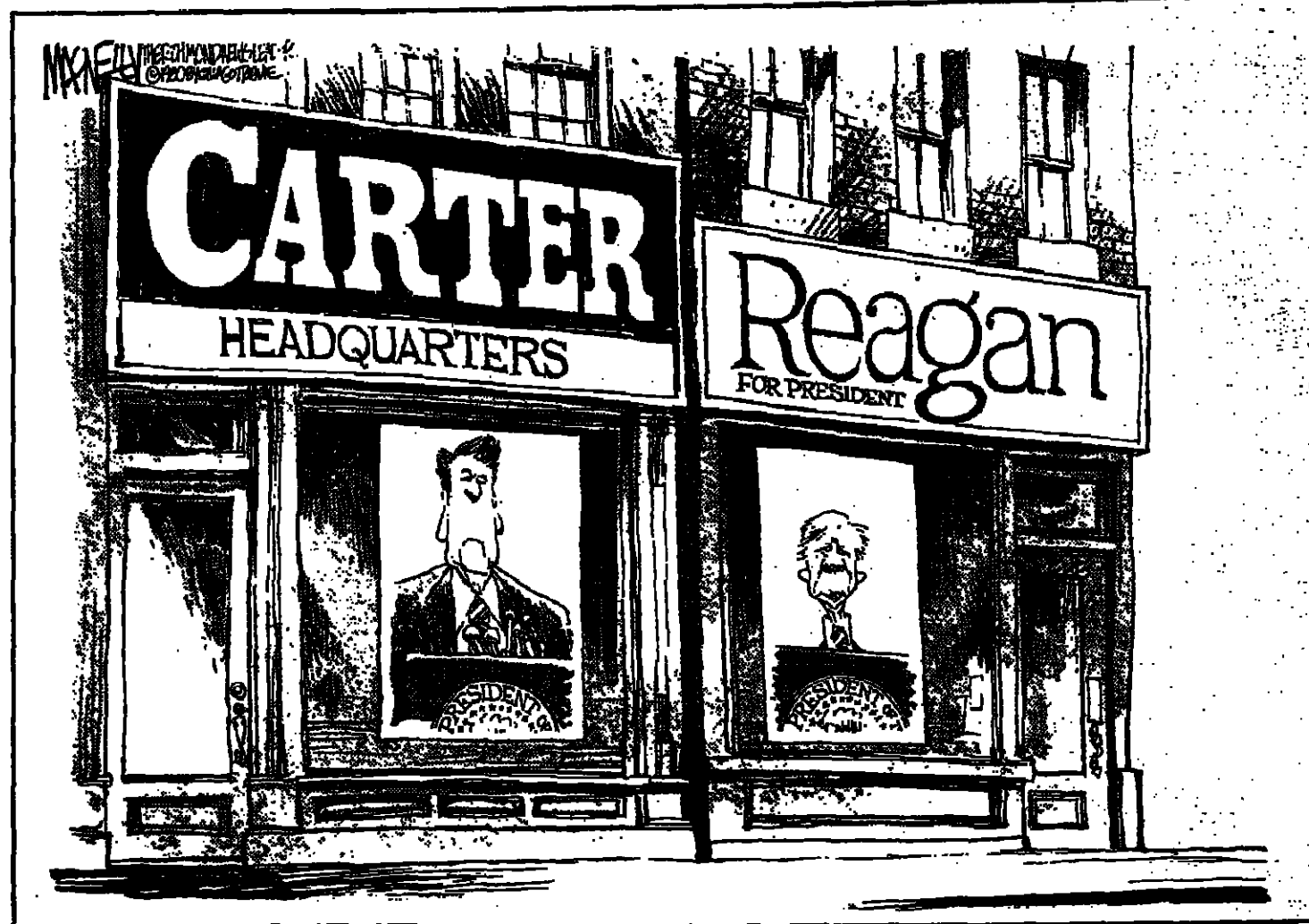
August 29, 1905

NEW YORK — This week's roundup of American press opinion includes an editorial from the Pittsburgh Times that reads: "The discouragement and disgust with which Germany looks now on the situation in its African colonies throws an interesting sidelight on the recent peregrinations of the Kaiser. He is looking for new trouble to take the place of that the Fatherland has been having on the Dark Continent." The Sun comments: "When peace is made between Japan and Russia, the hunger of Russian rulers for rehabilitation in the eyes of the world and the expansive energies of the powerful Russian nation almost certainly point in the direction of British India."

Fifty Years Ago

August 29, 1930

NEW YORK — Col. Luis Sanchez-Cerro was hailed as a national hero on his arrival in Lima last night and today proceeded to consolidate his position as head of the ruling junta in Peru. Meanwhile, the Argentine government of President Hipolito Irigoyen took measures to prevent the spread of the germ of revolution into that country. Buenos Aires buzzed with disturbance rumors, while extra detachments of mounted troops patrolled the streets. In Lima, Col. Sanchez-Cerro appears firmly entrenched. In a speech at the government palace he said he was surprised that for so long so few were willing to lift a hand to end the "despotic regime" of the "tyrant" Augusto Leguia.



The Anderson Factor: Time for Realism

By Anthony Lewis

NEW YORK — John Anderson is an interesting politician who has no serious chance of becoming president. His candidacy can only help elect Ronald Reagan, and it is time that Anderson supporters faced that fact. The most recent Gallup Poll told the story. When Gallup asked registered voters to choose between Reagan and President Carter, the result was Carter 46 percent, Reagan 40 percent. When he made it a three-man race, the voters gave Reagan 39 percent, Carter 38 percent, Anderson 14 percent. Anderson took 8 points from Carter, 1 from Reagan.

Anderson has fallen sharply in the polls. He has failed to build any significant support among blue-collar voters. The increasingly important white-collar unions — teachers, for example, and government employees — are not responding to him. The signs are not those of a winning candidate.

To say that about Anderson gives no pleasure. He brought some pungence to the long, arid months of the campaign before the conventions. He said some things that needed saying, about energy, taxes, the MX missile and other matters. He showed himself to be an intelligent and articulate man.

But Anderson talks about the need for realism in this country's affairs, and it is right to judge his candidacy by the same standard. Realism begins with an awareness of how third parties have done historically in our political system.

Policy Choice

Third-party candidates have had a real impact on American elections in this century only when their record, personality and platform presented a clear-cut ideological choice. Of the four who won any electoral votes, Theodore Roosevelt in 1912 and Robert LaFollette in 1924 were

romantic figures who ran as Progressives; Strom Thurmond in 1948 and George Wallace in 1968 ran as right-wing racists.

What choice of policy does John Anderson offer? Certainly nothing so dramatic as a Teddy Roosevelt, who had a strong and consistent position on numerous issues. Anderson is really running against most of his record as a congressman: those years of conservative votes. One may respect his change of mind, but the fact is that he cannot offer a record as the basis of political judgment. And records remain the most important clue for voters.

The traditional party platforms arouse justified skepticism. But there is value in knowing the general outlook of a candidate — and of the forces behind him. Can anyone have such knowledge about Anderson?

His one major political excursion since he became an independent candidate did not provide convincing evidence that his judgment is a substitute for a record. On his trip to the Middle East he postured for American voters, leaving the Israelis cynical and the Egyptians irritated. He made no great impression on audiences in Britain or on the Continent.

Party Reform

With all respect for Anderson's intelligence, the truth is that his appeal is largely negative. He provides a chance for disappointed voters, mainly liberals, to register a protest against Jimmy Carter. But the question is whether it would be a useful, an effective protest.

One theory is that a substantial vote for Anderson would bring about change in the established parties. The political consultant who is Anderson's mastermind, David Garth, said in June: "I think the parties would have the choice of reforming themselves, or they would then force the development of a third force."

But that notion has no basis in history. Teddy Roosevelt's bolt did not transform the Republican Party. The damage that LaFollette did to the Democrats in 1924 did not move them to reform; they changed only when the Depression and the election of Franklin Roosevelt created the necessary conditions.

For some, dislike of Carter may be enough. If Reagan wins as the result of the Anderson factor, they would say, so be it. Things may have to get worse before they get better.

That is always dangerous political logic. Too much can happen during the bad years that the idealists, the purists, say have to be suffered. Idealism of a sort defeated Hubert Humphrey in 1968; he was indeed a flawed candidate, but the country paid dearly for his loss.

Responsibility

In four years as president, Ronald Reagan could do a good many things that one suspects most people voters for John Anderson would intensely dislike. He seems likely to accelerate the nuclear arms race. He might strain the relationship with Peking to the point where the Chinese would reconsider their attitude toward the Russians. He would almost certainly have some Supreme Court vacancies to fill — and judicial appointments are one area where Carter has performed well, and surely differently from Reagan.

With all of Carter's faults it is hard to see how an Anderson protest vote is going to make things better. I remember a New York friend who voted for Henry Wallace in 1948 — and was shaken on election night when the Wallace vote threw New York state to Dewey and threatened to cost Truman the election. Would Anderson voters really want the responsibility of electing Reagan?

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Human Rights: A Progress Report

By Jonathan Power

WASHINGTON — Human rights policy is still a primitive art. After more than three years of varying degrees of activism in Washington, very few people have a clear notion of what it was meant to achieve or the range of weapons available to make it work.

President Carter turned to the subject with some passion in his speech at the Democratic convention. But he limited himself to a call for human rights in the Soviet Union and Eastern Europe, the part of his policy that has been most criticized, not least by his Western European allies, who feel that it has riled the Soviet leadership and gained little freedom for those persecuted.

Meanwhile, events in Bolivia and South Korea throw the Third World side into relief. Bolivia, a country that the United States should be able to hold in the palm of its hand, appears for the moment capable of withstanding all pressure to honor the outcome of its recent election. The Bolivian leaders have found consolation in Argentina's efforts to oust Washington by such moves

as grain sales to the Soviet Union and nuclear proliferation.

South Korea, for its part, knows that it can mock Washington's human rights lobby as long as there is a North Korea. Before the Soviet invasion of Afghanistan, Washington may have been prepared to take a few risks to push for change in South Korea. Now, however, it will do nothing that might be interpreted as a weakened military commitment.

Evading Sanctions

Before Afghanistan there was a widespread feeling in Seoul that to repress, and then be forced by outside pressure to loosen up, would be destabilizing. The shah's Iran had demonstrated that truth. Today, the new military rulers, reasoning that Washington's order of priorities has changed, seem to feel that they can get away with repression, however ruthless. Washington, the ruling clique appears to believe, will bluff and it will puff, but it will not use any weapons that will really hurt.

South Africa, it is argued, could be different. If the West would agree to mandatory UN sanctions, no country on Earth would dare back them. South Africa would have no nearby friends, and its shipping lanes and air links could easily be patrolled.

But would a total blockade actually bend the will of the white South Africans? Or would it merely make them determined self-sufficient? No one has created a watertight argument either way. However, there is evidence aplenty to show that the sports boycotts have forced changes in South Africa's apartheid practices. This leads many South Africa watchers to argue that what is needed is more selective boycotts, aimed at achieving specific goals, rather than all-encompassing embargoes.

Liberalization

However, even in the few years since Jimmy Carter embarked on his human rights crusade, it is re-

markable how much the world has changed.

Africa, which had only two functioning multiparty democracies in 1977, now has at least seven. The number of political prisoners on the continent has fallen dramatically.

In Asia, India has returned to constitutional rule. In China, for all the controversy over the Democracy Wall, progress has been made toward more political liberalization. In South America, apart from Bolivia and the Guyanas, the northern countries appear to be firmly in the democratic camp. Brazil may join them in the not too distant future.

Can one thank Carter for this? Not in a direct way, since cause and effect often appear so far apart. Without doubt, however, his administration's constant, if not lately so loud, articulation of the issues has given human rights a mighty boost. It has helped emphasize the work of Amnesty International, Freedom House, the International Commission of Jurists, the churches and the labor unions.

Carter may not have single-handedly pushed any of the worst offenders into line. Nevertheless, the constant refrain of human rights and U.S. voting patterns at the UN and in other international institutions have helped provide a climate conducive to world political liberalization. On a number of important occasions, in particular with Rhodesia and Nicaragua, the Carter administration has backed up its commitment by refusing to support compromises that would have kept narrowly based oligarchies in power.

The canvas is still half-filled. The brush strokes are still fuzzy. Only when one steps back can one discern a shape. But it's a more democratic and less repressive world than it was.

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Poland Seen In Europe's Perspective

By Joseph Kraft

WASHINGTON — Extreme caution by the outside world distinguishes the present phase of the recurrent Polish crisis. The general restraint indicates that while nobody can admit it, there now exists in Europe an harmonious balance of power.

In that context, the grievances raised anew by striking Polish workers can perhaps be worked out through concessions from the Warsaw government. If so, an incident can be made against the time when age forces a change in the Soviet leadership. But if not, the whole world is into deeper trouble.

Theoretically, Europe should be a vortex of turbulence. A divided Germany lies at the heart of a divided continent. To the east are authoritarian regimes led by Communist parties dedicated to centralized economic control. To the west are open regimes with market economies. Each side does violence to the beliefs of the other every minute of every hour of every day.

But national interests transcend ideological preferences. As A.W. DePonte of the U.S. State Department has pointed out in a recent pamphlet on the "superpower balance," the division of Europe answers the security needs of the major powers.

Move to Defuse

With Germany split, Russia faces no threat to its preeminence as a land power on the continent. France and Britain and their smaller allies, feel able to contain West German ambition within the European Economic Community. The East Europeans can look to Western Europe as an economic and cultural counterweight against Soviet imperialism. The United States finds in support with the West Europeans a solid base on the continent for its "superpower balance." Weighed in that balance, the issue of labor troubles in Poland is truly trivial. So all the outside have moved to defuse the present crisis.

Russia started by announcing that the works of the Polish leader, Edward Gierke, were being published in the Soviet Union. That was an unmistakable way of saying Moscow was leaving matters up to him. Only subsequently, when Gierke's position seemed in doubt, did the Soviet leadership begin to collect in Moscow, and show signs of genuine concern.

The United States reacted with studied calm. Secretary of State Edmund Muskie said: "Internal problems in Poland are for the Polish people and the Polish authorities to resolve." President Carter said: "We are being very reticent in expressing our views."

Restraint

In Western Europe, the Vatican, which is crucial because Pope John Paul II is a Pole in touch with the hierarchy of his country, counseled restraint. Chancellor Helmut Schmidt of West Germany canceled a projected trip to East Germany to prevent the Polish troubles from becoming an issue in either of the two Germanys.

Setting the Polish dispute, even with all outsiders showing restraint, is not child's play. The Polish workers have demonstrated impressive unity and great tactical skill. Still, having extended concessions by strikes in 1970 and 1976, there is a tendency to get heady about how much the traffic will bear. This time they have demanded free trade unions and more press liberty — two conditions that lessen the control of the party in Poland, and do not exactly obtain in the Soviet Union.

On the other hand, the regime has already guided Poland far down the path to economic liberalization. The country enjoys private agriculture, trade unions that are not total stooges and exposure to the international economy. At the first sign of trouble, moreover, Gierke first changed his position and then purged half his Cabinet.

Now negotiations have been joined, and a way out is visible. Gierke and the Russians could probably still for more autonomous trade unions in Poland. The Russians could probably let Gierke go, and put in his place a figure more dedicated to economic liberalization.

But at some point the Polish workers will have to take their gains and go. It quits until a new opportunity for pressure presents itself. Otherwise the Russians will be obliged to move in. The United States and Western Europe will stand by impotently. The chance for liberalizing Eastern Europe from within will be dealt a hard blow. Any such set of developments would inevitably tip the Soviet Union's forthcoming leadership change against liberalization and toward a continuation of steady military expansion.

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Chun Opens Universities In S. Korea

Civilians Are Named To Key Staff Posts

From Agency Dispatches
SEOUL, Aug. 28 — In his first actions after his pro-fortia election as president of South Korea, Gen. Chun Doo-hwan yesterday lifted an order imposed on May 17 that closed all universities after violent anti-government demonstrations and appointed civilians educated in the United States to two key posts on his staff.

The martial law command said in a statement, its first since Gen. Chun became president yesterday, that the universities could resume classes on Monday. The ban affected about 330,000 students at 85 universities, including Seoul National University and Yonsei University, focal points of the demonstrations.

Gen. Chun named Kim Kyong Woon as chief of staff in the presidential office and appointed Kim Kyong Hui as chief of protocol and his chief interpreter.

Spokesman Named
Kim Kyong Woon received a doctorate at Harvard, where he studied under Henry Kissinger, then taught at New York University and later served as special assistant for foreign affairs to President Park Chung Hee. He has represented the South Korean government at many conferences in the United States. Kim Kyong Hui is also regarded as an expert on international affairs and has served as an advisor to the National Assembly.

Gen. Chun also appointed as his chief spokesman Lee Woong Hee, managing editor and former Washington correspondent of Dong-A Ilbo, a Seoul daily.

The presidential staff appointments were considered significant since they meant that civilians will be in daily contact with U.S. officials here. The new appointments, Western diplomats said, may strengthen relations with the United States after a troubled period since the assassination last October of President Park.

The young staff colonels he needs to guard his back stay in their posts in the vital units in Seoul. Gen. Chun's career said, "His trust in civilians at the Blue House (the presidential mansion) is a shrewd move, a sign of confidence."

Korean leaders were reassured by a reported statement from President Carter that the United States, which has nearly 40,000 servicemen in the country, will not demand immediate democratic reforms in South Korea and appears to accept the surrender of Gen. Chun.

"We would like to have a complete democratic with full and open debate, free press and elected leaders" in South Korea, Mr. Carter was quoted as saying by The Boston Globe in an article last week. "The Koreans are not ready for that, so we cannot force it on them, and I don't know how to explain it any better."

The military's hard line against the opposition is exemplified by the trial of Kim Dae Jung, the longtime opposition leader who faces a possible death penalty under sedition charges.

Exiles Ask Intervention

GENEVA, Aug. 28 (AP) — A delegation of South Korean exiles today urged the United Nations Human Rights Commission to intervene on behalf of Kim Dae Jung and other prisoners held on political charges.

Prof. Isang Yun, a noted Korean composer granted asylum in West Germany following his release from South Korea, said there was concern that Mr. Kim and 22 others would be sentenced to death. Mr. Yun estimated that there are 37,000 political prisoners in South Korea.

Sam Levenson, U.S. Humorist-Author

NEW YORK, Aug. 28 (AP) — Sam Levenson, 68, a humorist and writer who appeared regularly on several television shows in the 1950s and 1960s, died last night, hospital officials said.

Mr. Levenson was admitted to a Brooklyn hospital in the evening and died after suffering a cardiac arrest.

Among his more famous books were "Everything but Money," "Sex and the Single Girl" and "In One Era and Out the Other."

His ever-present grin, bow tie and portly figure were known to millions of television viewers through the "Sam Levenson Show" on CBS in 1951. He also was a panelist on "The Tonight Show" in the 1950s, moderated "Two for the Money" in 1955-56 and was a panelist later on the popular "Match Game" and "To Tell the Truth."

He was also featured often on the "Ed Sullivan Show."

Was Schoolteacher

Born Dec. 28, 1911, in Brooklyn, Mr. Levenson in his younger years taught in the New York City public school system while working weekends as an entertainer and master of ceremonies at a Catskill Mountains hotel.

The thrust of his folksy humor centered around his reminiscences of growing up in Brooklyn in a large, happy and poor Jewish family.

He took a leave of absence from teaching in 1946 and began doing nightclub performances. In 1949,



Chileans attending a rally in a Santiago theater to protest a new constitution proposed by President Augusto Pinochet later joined tens of thousands of anti-government protesters, barred by riot police from attending the rally, in a slogan-chanting parade through downtown streets.

Chileans, Barred From Rally by Police, Demonstrate Against Pinochet Regime

SANTIAGO, Aug. 28 (AP) — Tens of thousands of Chileans, barred from a political rally here by police in riot gear, paraded through the streets yesterday shouting slogans against President Augusto Pinochet in the first major protest demonstration since he seized power seven years ago.

The Chilean news agency said that there were a number of arrests but gave no count. At least two per-

sons were injured by club-wielding police. No deaths were reported.

For many who dislike the rightist military regime, the apparently spontaneous demonstration was the first opportunity in nearly seven years to protest publicly against the government. Many did so with vigor, hurling insults and a few rocks at police.

Constitution Denounced

Gen. Pinochet, who seized power from Marxist President Salvador Allende in the bloody Sept. 11, 1973, coup, banned all official political activity.

The demonstration began when police refused to let a crowd of tens of thousands of people join 8,000 already attending a political rally sponsored by former Chilean President Eduardo Frei.

The rally, held in a downtown theater with government consent, was called by Mr. Frei to denounce Gen. Pinochet's proposed new con-

stitution that would keep him in power at least until 1989. The proposal, which would guarantee that free elections be held in 1997, is being put before a national referendum on the seventh anniversary of the coup.

Police formed human barriers around the theater in a two-block radius as thousands of people began chanting anti-Pinochet slogans, singing and waving burning paper at the barricades.

When Mr. Frei's speech ended, those who were inside then left and joined others outside the police perimeter in a demonstration that ended about 10 blocks from where it began.

In his address, Mr. Frei called for a civilian-military government of transition to prepare Chile for a return to democracy within three years.

Mr. Frei, 70, is the leader of the Christian Democrats, Chile's most powerful party before Gen. Pinochet's coup.

Competition Ended in 3 Cities

2 Canadian Papers Folded

As Chains Split Up Market

By Henry Giniger

OTTAWA, Aug. 28 (NYT) — Within a few hours this week, Canada lost two major newspapers as two publishing chains continued to divide up this country's shrinking newspaper market.

Shortly before midnight Tuesday, 375 employees of the Ottawa Journal were told they had put out the last issue of the 95-year-old newspaper.

This left Canada's capital, whose regional population is close to 700,000, with only one English-language newspaper, The Citizen. There is one French-language newspaper, Le Droit.

In Winnipeg, the Manitoba capital with a population of close to 600,000, the 370 employees of The Winnipeg Tribune, founded in 1890, were told yesterday morning they had lost their costly circulation war with the city's only other newspaper, the 106-year-old Free Press.

The result of what several news men here called "one of the blackest days in Canadian journalism" was a further division of the Canadian market between the Southern and Thomson newspaper chains.

In one of the most sweeping consolidations of newspaper ownership in Canadian history, Thomson left the English-language Ottawa market to the Southern-owned Citizen by closing the Journal while Southern, by closing the Tribune, gave the Thomson-owned Free Press a monopoly in Winnipeg. Thomson also gave Southern a monopoly in Vancouver, Canada's third largest city, by selling a 50-percent interest in it had held in Pacific Press, the owner of both The Province and The Vancouver Sun. Thomson also sold its one third interest in the Southern-owned Gazette in Montreal.

Out of Canada's 117 daily newspapers, Thomson has 41 while Southern owns 13 for a combined circulation of more than 5 million.

Part of a worldwide news empire run by Kenneth Thomson of Toronto, who inherited but does not use the British title of Lord of Fleet, the Thomson chain bought eight newspapers for \$164.7 million last January from FP Publications. The Ottawa Journal was one of them, but it was unable to halt losses that began four years ago.

Mr. Thomson, who until his purchase of FP Publications had confined his holdings largely to small town papers, has the reputation for strict financial management, and his closing of the Journal came as no surprise.

Major Exception
A major exception to Mr. Thomson's strictness as far as money-making is concerned is The Times, of London, which he inherited from his father, Roy Thomson. Despite The Times's financial losses, Kenneth Thomson has expressed his willingness to maintain it as a prestige paper.

But he has now disposed of four of the eight Canadian newspapers he bought from FP. Two were merged in Victoria, the Calgary Albertan and Vancouver Sun have been sold, and the Ottawa Journal closed.

The end of direct competition in Ottawa, Winnipeg and Vancouver, following the monopoly left to The Gazette in Montreal by the death last year of the other English-language daily, the FP-owned Montreal Star, led to calls for government action.

Lorne Nystrom of the leftist New Democratic Party, accused Southern and Thomson of "corporate collusion" which, he said, "has ruthlessly put hundreds of workers out of jobs and robbed three cities of separate editorial voices all in the name of numbers on the profit statements." Both Southern and Thomson have been showing profits thus far this year.

Although government officials were said to be examining this week's events for possible violations of anti-trust laws, these laws up to now have been unable to halt concentrations in corporation ownership in the newspaper and other fields. There was a similar inquiry when Thomson bought out FP but the government concluded that it was powerless to stop it.

sons were injured by club-wielding police. No deaths were reported.

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The rally, held in a downtown theater with government consent, was called by Mr. Frei to denounce Gen. Pinochet's proposed new con-

stitution that would keep him in power at least until 1989. The proposal, which would guarantee that free elections be held in 1997, is being put before a national referendum on the seventh anniversary of the coup.

Police formed human barriers around the theater in a two-block radius as thousands of people began chanting anti-Pinochet slogans, singing and waving burning paper at the barricades.

When Mr. Frei's speech ended, those who were inside then left and joined others outside the police perimeter in a demonstration that ended about 10 blocks from where it began.

In his address, Mr. Frei called for a civilian-military government of transition to prepare Chile for a return to democracy within three years.

Mr. Frei, 70, is the leader of the Christian Democrats, Chile's most powerful party before Gen. Pinochet's coup.

Competition Ended in 3 Cities

2 Canadian Papers Folded

As Chains Split Up Market

By Henry Giniger

OTTAWA, Aug. 28 (NYT) — Within a few hours this week, Canada lost two major newspapers as two publishing chains continued to divide up this country's shrinking newspaper market.

Shortly before midnight Tuesday, 375 employees of the Ottawa Journal were told they had put out the last issue of the 95-year-old newspaper.

This left Canada's capital, whose regional population is close to 700,000, with only one English-language newspaper, The Citizen. There is one French-language newspaper, Le Droit.

In Winnipeg, the Manitoba capital with a population of close to 600,000, the 370 employees of The Winnipeg Tribune, founded in 1890, were told yesterday morning they had lost their costly circulation war with the city's only other newspaper, the 106-year-old Free Press.

The result of what several news men here called "one of the blackest days in Canadian journalism" was a further division of the Canadian market between the Southern and Thomson newspaper chains.

In one of the most sweeping consolidations of newspaper ownership in Canadian history, Thomson left the English-language Ottawa market to the Southern-owned Citizen by closing the Journal while Southern, by closing the Tribune, gave the Thomson-owned Free Press a monopoly in Winnipeg. Thomson also gave Southern a monopoly in Vancouver, Canada's third largest city, by selling a 50-percent interest in it had held in Pacific Press, the owner of both The Province and The Vancouver Sun. Thomson also sold its one third interest in the Southern-owned Gazette in Montreal.

Out of Canada's 117 daily newspapers, Thomson has 41 while Southern owns 13 for a combined circulation of more than 5 million.

Part of a worldwide news empire run by Kenneth Thomson of Toronto, who inherited but does not use the British title of Lord of Fleet, the Thomson chain bought eight newspapers for \$164.7 million last January from FP Publications. The Ottawa Journal was one of them, but it was unable to halt losses that began four years ago.

Mr. Thomson, who until his purchase of FP Publications had confined his holdings largely to small town papers, has the reputation for strict financial management, and his closing of the Journal came as no surprise.

Major Exception
A major exception to Mr. Thomson's strictness as far as money-making is concerned is The Times, of London, which he inherited from his father, Roy Thomson. Despite The Times's financial losses, Kenneth Thomson has expressed his willingness to maintain it as a prestige paper.

But he has now disposed of four of the eight Canadian newspapers he bought from FP. Two were merged in Victoria, the Calgary Albertan and Vancouver Sun have been sold, and the Ottawa Journal closed.

The end of direct competition in Ottawa, Winnipeg and Vancouver, following the monopoly left to The Gazette in Montreal by the death last year of the other English-language daily, the FP-owned Montreal Star, led to calls for government action.

Lorne Nystrom of the leftist New Democratic Party, accused Southern and Thomson of "corporate collusion" which, he said, "has ruthlessly put hundreds of workers out of jobs and robbed three cities of separate editorial voices all in the name of numbers on the profit statements." Both Southern and Thomson have been showing profits thus far this year.

Although government officials were said to be examining this week's events for possible violations of anti-trust laws, these laws up to now have been unable to halt concentrations in corporation ownership in the newspaper and other fields. There was a similar inquiry when Thomson bought out FP but the government concluded that it was powerless to stop it.

Anita Mirovitch
HOLLYWOOD, Aug. 28 (UPI) — Lyric soprano Anita Mirovitch, 89, who retired from Milan's La Scala 50 years ago to become a housewife, died Sunday.

Dr. Paul Swain Havens
NEW YORK, Aug. 28 (NYT) — Dr. Paul Swain Havens, 76, president emeritus of Wilson College in Chambersburg, Pa., and a prominent Presbyterian educator, died Friday at the Chambersburg Hospital.

Dr. Havens served as president of Wilson, a women's college associated with the Presbyterian Church.

Climbing The Continuing Lure Of the Matterhorn

By Gary Yerkey

ZERMATT, Switzerland (IHT) — The standing joke among mountaineers here is that the trickiest thing about climbing the Matterhorn — this town's proudest possession — is dodging falling tourists.

The number of rope-carrying adventure seekers who scramble up the steep sides of the 14,689-foot peak varies greatly from year to year, depending on the weather, according to the *garden of the Hornli* refuge hut, where climbers usually spend the night before venturing the remaining 4,000 feet the next day. Going up and coming down can be done without much trouble, even by novices, during the day.

Some idea of the number who have gone up the well-worn Hornli ridge — the normal route and the point dividing the north and east faces — can be gained by considering that 500 people did it in the first three weeks of this year's summer season (about July 25 to Aug. 15) alone, or about 25 a day. In some 24-hour periods, more than 100 climbers have been known to reach the summit.

"This year, we've had very bad weather — like everywhere else in Europe," the keeper of the Hornli refuge noted. "So we've had fewer climbers than normal. But if the good weather we've been having the past few weeks holds, we can expect people to be going up the Matterhorn from now until late September or early October at the same rate as they have been since late July." More experienced climbers tend to challenge the Matterhorn's difficult north face in the winter, because the rock breaks away easily in the summer.

Among those whose ropes performed their prescribed role last year were four of the seven climbers who first set foot on the Matterhorn summit.

In 1865, in one of mountaineering's most famous disasters, Dr. R. Hadow slipped badly at the midway mark and dragged three of his fellow climbers with him. The rope broke. Four men were killed — but only after the seven-man party, led by the 25-year-old British climber Edward Whymper, had made it to the peak.

The tale of the first Matterhorn ascent is told in the "14 July 1865 Room" of a popular Zermatt site, the Alpine Museum. The 16,000 visitors who tramp through the old two-story building behind the post office each year also learn that the first American to perish on the Matterhorn ("through sheer imprudence") was Dr. William O. Moseley, in 1879. Many others who have lost their lives to the mountain are buried in the cemetery nearby. It is given over almost exclusively to fallen climbers.

Twenty-nine of Switzerland's 38 peaks above 13,000 feet are in the Zermatt region, making it something of a climber's mecca. But it is the Matterhorn that continues to evoke an almost religious awe among the mountaineers.

The first woman to complete the climb, Lucy Walker, managed the feat in 1871 against formidable odds that included an ankle-length dress and flowered bonnet. Since then, women reaching the top, including the first to do so by way of the north face — Yvette

breaks away easily in the summer. This summer the weather that has been bad for the climbers has also been good for the death rate. Zermatt police said "only" eight persons have been killed on the Matterhorn since January.

Accidents are more numerous. Several weeks ago, a West German climber was — as a local newspaper put it — "surprised" about halfway up, not by a falling tourist but by a falling rock measuring about a meter in diameter. He was knocked off the mountain's surface, but his rope kept him from following the rock.

Famous Fall

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Whymper (2d from right) and his party in 1865 climb.

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BUSINESS NEWS BRIEFS

Canadian Well Comes Up Short for Mobil

NEW YORK, Aug. 28 (AP) — Mobil Oil Canada said today an exploratory well 24 miles away from the promising Hibernia oil discovery off the coast of Newfoundland did not contain enough oil to warrant commercial development.

Though "disappointed" with the test results from the well's upper levels, Mobil said it may run new tests because the well "yielded good quality oil and gas" from lower depths. It added that an exploratory well is planned in a separate geological structure 50 miles to the northeast.

The Mobil well was drilled following the Hibernia discovery by a division of Standard Oil of California. The Hibernia well is believed to be capable of producing more than 20,000 barrels of oil a day.

ICI Lays Profit Drop to Trading Conditions

LONDON, Aug. 28 (Reuters) — Imperial Chemical Industries said second-quarter profit of £89 million, against £182 million in the second quarter of 1979, excluding exchange losses, was sharply reduced by a severe deterioration of trading conditions in Western Europe and the United States.

This situation is continuing and has affected sales and profit margins for both domestic and export markets, especially in petrochemicals, plastics and fibers, it said.

Imperial said its second-quarter sales, down £71 million from the first quarter, reflected reduced volume for both chemicals and oil. The company said second-quarter U.K. exports were £291 million compared with £349 million in the first quarter.

Japanese Color TV Exports Soar

TOKYO, Aug. 28 (Reuters) — Japanese exports of color television sets have risen sharply, especially to European, Latin American and Middle East markets, according to figures published today.

They rose by 21.6 percent to 48,400 sets in July, and this figure was 44.9 percent higher than a year ago, the Japan Electronic Industries Association said.

Exports to West Germany were particularly high — up by 118 percent from a year earlier. Those to Saudi Arabia were up by 80 percent from a year earlier. July exports to the United States, which is still the largest customer, were up 8 percent from a year ago.

Audi Work Cut Plan Will Affect 16,000

INGOLSTADT, West Germany, Aug. 28 (Reuters) — Audi's work reduction plan in September will affect 16,000 of the 29,000-member work force, a company spokesman said.

More than 11,000 employees at the Volkswagenwerk subsidiary's Ingolstadt plant and around 5,000 at its Neckarsulm factory will be involved in the scheme, which will run from Sept. 8 to 26, he said. Further reductions are not envisaged, and there is no question of laying off workers, he added.

The spokesman said the current sales weakness in the larger middle range of the car market, which affects the Audi 100, was the cause of the move. This reason was cited by the General Motors subsidiary, Adam Opel, on introducing a redundancy scheme for up to 5,900 workers in June and also by Ford Werke, the Ford Motor subsidiary, which recently put forward a voluntary redundancy plan for up to 6,000 workers.

Ford Is Reported to Seek Broad Links With Toyota

TOKYO, Aug. 28 (AP-DJ) — Ford Motor Chairman Philip Caldwell was quoted here today as seeking large-scale joint production of small cars in the United States with Toyota Motor.

The Japanese business daily Nihon Keizai, Mr. Caldwell rejected as inadequate a Toyota proposal for joint production of one model totaling about 200,000 units a year, instead voicing hope to produce several models totaling more than 500,000 units a year.

Mr. Caldwell reportedly said he had communicated this goal to Toyota officials.

COMPANY REPORTS

Revenues and profits, in millions, are in local currencies unless otherwise indicated

Imperial Chemical			
Revenue	1980	1979	
Profits	2,980	2,570	
Per share	168.0	207.0	
Plessey			
Revenue	1980	1979	
Profits	193.5	170.0	
Per share	12.0	8.57	
Consolidated Foods			
Revenue	1980	1979	
Profits	460.8	448.2	
Per share	6.67	12.30	
Per share	0.47	0.87	
J.P. Stevens			
Revenue	1980	1979	
Profits	1,410	1,340	
Per share	27.36	32.14	
Per share	1.93	2.27	
J.P. Stevens			
Revenue	1980	1979	
Profits	1,380	1,300	
Per share	39.10	34.18	
Per share	1.27	1.11	
J.P. Stevens			
Revenue	1980	1979	
Profits	1,260	1,020	
Per share	71.7	54.5	
Per share	4.57	3.50	

CURRENCY RATES

Interbank exchange rates for August 28, 1980, excluding bank service charges

	\$	£	D.M.	FF.	Y.	S.F.	₹	₪	₦
American	1.0000	0.6936	1.9360	6.5595	236.47	5.4806	76.54	2.3667	147.46
British	1.4456	1.0000	2.9371	9.3757	346.74	8.4664	118.46	3.6966	228.56
French	0.1523	0.1076	1.0000	3.3333	136.03	33.3333	10.6383	3.2916	203.61
German	0.0655	0.0481	0.3333	1.0000	40.3399	10.0000	3.2081	1.9360	121.93
Italian	0.0193	0.0141	0.1000	0.2937	1.0000	25.0000	8.0000	5.0000	316.37
Japanese	0.0074	0.0054	0.0377	0.1246	0.0026	1.0000	3.2081	1.9360	121.93
Netherlands	0.0036	0.0026	0.0200	0.0656	0.0026	1.0000	3.2081	1.9360	121.93
Portugal	0.0020	0.0015	0.0125	0.0400	0.0013	1.0000	3.2081	1.9360	121.93
Spain	0.0166	0.0122	0.0909	0.2937	0.0013	1.0000	3.2081	1.9360	121.93
Sweden	0.0048	0.0035	0.0271	0.0883	0.0013	1.0000	3.2081	1.9360	121.93
Switzerland	0.0070	0.0051	0.0400	0.1246	0.0026	1.0000	3.2081	1.9360	121.93
Taiwan	0.0248	0.0182	0.1429	0.4667	0.0026	1.0000	3.2081	1.9360	121.93
Thailand	0.0166	0.0122	0.0909	0.2937	0.0013	1.0000	3.2081	1.9360	121.93
West Germany	0.0048	0.0035	0.0271	0.0883	0.0013	1.0000	3.2081	1.9360	121.93
Yugoslavia	0.0008	0.0006	0.0050	0.0163	0.0001	1.0000	3.2081	1.9360	121.93

Dollar values			
Currency	Per \$	Currency	Per \$
Belgian franc	20.36	Irish £	0.7876
Canadian dollar	0.7106	Israeli ₪	18.0348
Dutch guilder	3.6033	Kenyan shilling	0.0057
French franc	6.5595	Malaysian ringgit	0.2336
German mark	3.3333	Mexican peso	16.6700
Italian lira	20.36	Norwegian kroner	0.1366
Japanese yen	100.00	Portuguese escudo	200.48
Netherlands guilder	3.6033	South African rand	0.6702
Swedish krona	4.6634	Singapore dollar	0.7057
Swiss franc	2.0000	Taiwan dollar	2.4636
Thai baht	0.0248	Yen	111.24

5 Shorting: 1.1288 Irish £.
(a) Commercial trans. (b) Amounts needed to buy one pound. (c) Units of 100. (d) Units of 1,000.

No Fault Found

U.S. Advised to Curb Foreign Bank Buyers

By Cliff Haas

WASHINGTON, Aug. 28 (AP) — Congress should impose a temporary moratorium on foreign acquisitions of medium-to-large U.S. banks pending a study of legal inequities that favor foreign interests, the General Accounting Office recommended yesterday.

But the report from the GAO, the investigative arm of Congress, noted that the experience with foreign investment in U.S. banks has generally been positive.

"Current foreign control of U.S. banking assets is approaching 15 percent," according to the study. It said that between 1970 and 1979, foreign investors from 30 countries bought an interest of 10 percent or more in 93 banks with assets of \$26.4 billion.

As of December, 1979, foreign investors held about \$202.5 billion in U.S. bank assets — about 13.7 percent of the total. Pending acquisitions will push the figure to close to 15 percent, the report said.

Heavy European Role

Investors from Western Europe accounted for about 75 percent of the banking assets acquired from 1970 to 1979, the report said. Middle Eastern investors accounted for about 14 percent.

The report did not find fault with foreign investors who have control of U.S. banks.

"Foreign investors generally bought control of U.S. banks in less than average condition and strengthened them by adding new capital, changing management, improving loan portfolios and stopping self-dealing transactions," the report said. Self-dealing transactions include practices such as making loans to stockholders, directors or officers of a bank at preferential interest rates.

In addition, the report said, "The generally positive experience with foreign bank investors in the 1970s would not indicate a need for restricting foreign investments in U.S. banks."

Unfairness Cited

The report said, however, that an unfair situation exists because of U.S. banking and antitrust laws that combine to make foreign banks or holding companies the only feasible buyers of medium- to large-sized U.S. banks.

"This unfairness, we believe, justifies a limited moratorium on the foreign acquisition of U.S. banks."

French Retail Prices Rise

PARIS, Aug. 28 (Reuters) — French retail prices rose by 1.5 percent in July after a 0.6-percent gain in June to give a year-on-year rise of 13.6 percent, compared with 13.5 percent in the previous month, the statistics institute said today.

In another report today the institute said the industrial wholesale price index for July was unchanged from June. On a year-to-year basis, the index was up 6.5 percent.

Monthly Surpluses Have Been

fluctuating downward since early 1979, mainly because of the sharp rise in the price of oil. A trade surplus of about 2 billion DM was recorded in March. It was down to 298 million DM in May and 279 million in June.

Separately, the statistics office said today that the cost of living index has risen a provisional 0.1 percent in August over July for a 5.5-percent year-on-year increase, unchanged from July.

There was no confirmation from

the federal statistics office, where officials said July trade results had not been fully computed. Yesterday the office indicated that the figures would be released today, but today officials said the figures would not be available before tomorrow at the earliest.

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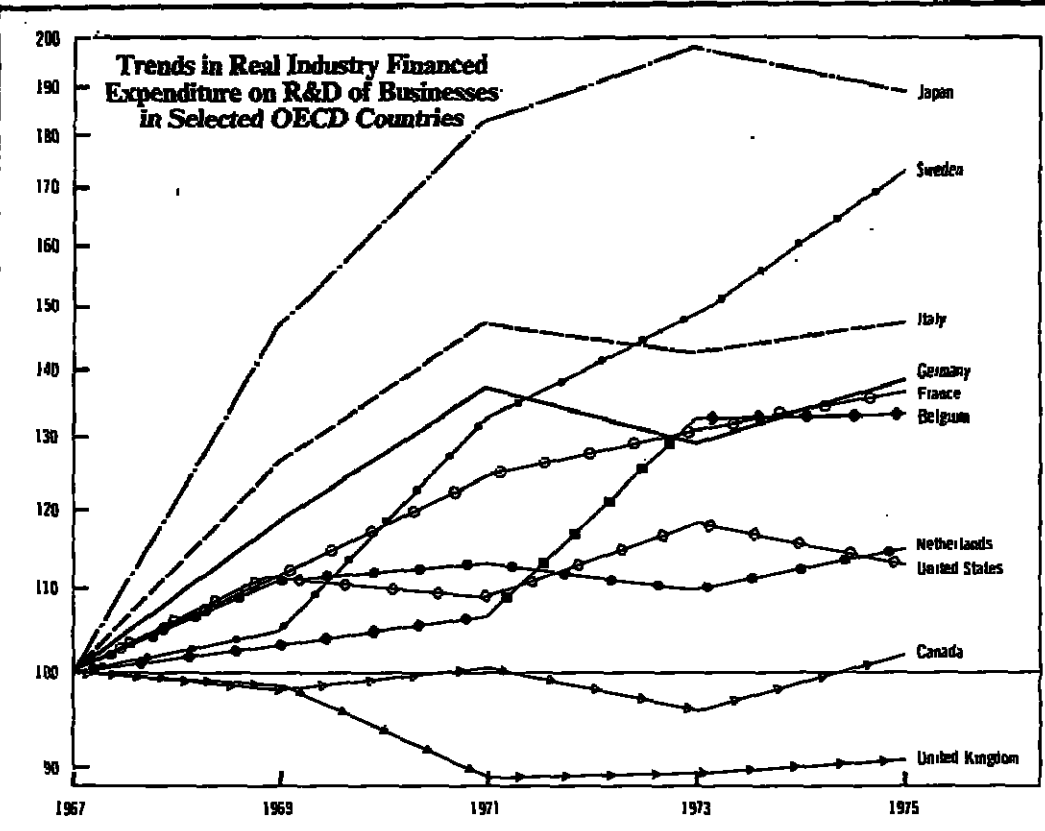
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There was no confirmation from the federal statistics office, where officials said July trade results had not been fully computed. Yesterday the office indicated that the figures would be released today, but today officials said the figures would not be available before tomorrow at the earliest.

Monthly surpluses have been fluctuating downward since early 1979, mainly because of the sharp rise in the price of oil. A trade surplus of about 2 billion DM was recorded in March. It was down to 298 million DM in May and 279 million in June.

Separately, the statistics office said today that the cost of living index has risen a provisional 0.1 percent in August over July for a 5.5-percent year-on-year increase, unchanged from July.



OECD Sees Europe, Japan Doing Better

U.S. Found to Lag in Technical Change

PARIS, Aug. 28 (IHT) — Technical innovation in Japan and among some Western European countries has brought a relative decline in U.S. economic and industrial predominance, the Organization for Economic Cooperation and Development says in a report on technical change and economic policy.

Despite fears expressed in the '60s that Western Europe and Japan would be left behind the United States in critical sectors of advanced technologies, in the '70s several of these countries "narrowed and in some cases reversed" the U.S. lead in industrial technology, the report says.

It observes that countries with the fastest productivity growth have been those with an increased rate of civil research and development to gross domestic product. It points to an increase in industrially performed research and development in Japan and Europe, and a relative decline in the United States.

The report also observes an orientation toward

short-term and "safe" objectives, and notes the increasing cost of research and the pressure of government regulations. Apart from the spectacular example of the electronics industry, there is evidence of a slowing down in the rate of innovation in many high-technology sectors, it says.

Study of productivity, prices and employment led the team of OECD experts to emphasize a harmful influence of restrictive regulatory policies on the rate and direction of technical change, contributing to the present difficulties in fighting inflation and unemployment.

"The micro-electronic revolution and the tendency to favor highly capital-intensive technologies could have disturbing effects on employment prospects in the medium-term," the report says.

It remarks that maintaining full employment is easier when technical advance is rapid, and underscores the need for government to play a strong stimulating role. In addition, basic research must be shielded from economic fluctuations.

By Robert J. Cole

NEW YORK, Aug. 28 (NYT) — The United States Steel Corp., citing inflationary cost increases, raised prices yesterday by an average of 4 percent, in line with other producers. But industry analysts forecast privately that, because of rising interest rates, the pricing move would prove to be largely academic.

The higher costs of borrowing money, the analysts said, are likely to discourage many potential new car buyers and to cause the postponement of some major construction projects.

Although steel shipments are far below normal, the nation's No. 1 steel company said it was raising prices, effective Oct. 5, by \$20 a ton for structural shapes and piling and by \$16 a ton for carbon and high-strength low-alloy plates. Alloy plates go up \$35 a ton.

Lukens Steel also announced price increases, effective Oct. 6, averaging 2.3 percent for its full line, raising carbon steel plate and floor plate by \$16 a ton and alloy steel plate by \$35 a ton.

U.S. Steel quotes structural shapes at \$378 a ton, carbon plates at \$414 and piling at \$429. Steel shapes and plates are used in construction of skyscrapers, bridges, ships, oil tankers and drilling rigs.

The company said that, although prices were going up by an average of 4 percent, the rise amounted to less than 1 percent across the company's full product line. These increases, it said, and those announced earlier this year for these products are "woefully inadequate"

to meet the continuing surge of inflation.

Bethlehem Steel, the country's second-largest producer, initiated increases in the industry last Friday, raising prices on major items by about 4.5 percent. Inland Steel and National Steel soon followed.

Wall Street analysts argued that the American steel companies, unlike Japanese and European producers, which enjoy extensive government support — need the price increases to strengthen earnings, but are unlikely to make them stick because of the uncertainties of the economy and particularly because of rising interest rates.

Homestake Mining was sharply higher in active trading. The company late yesterday said it had made a major new gold find near Sacramento, Calif.

Tesoro Petroleum, subject of considerable takeover speculation the past several weeks, was active in trading that included a block of 100,000 shares at 31 1/4.

Mobil was in the spotlight. The company said final tests in its Ben Nevis 1-45 wildcat well off the Newfoundland coast did not produce commercial hydrocarbons.

Gulf Oil of Canada, a partner in the Ben Nevis well, was active on the Amex. Gulf Canada said the Hibernia field, in which is also a partner of Mobil's, could hold up to 2 billion barrels of oil.

Heavy Slide Continues On NYSE

From Agency Dispatches

NEW YORK, Aug. 28 — Stocks suffered their second straight heavy loss in active trading.

The Dow Jones industrial index, which fell over 10 points yesterday, dropped 12.71 to close at 930.38 today, and the New York Stock Exchange index slid about three quarters of a point. Declines swamped advances by about three to one. Volume was about 41 million shares, down from 44 million yesterday.

The market had been lower all day, but the fall accelerated after President Carter announced his economic renewal program. Analysts said investors were disappointed that he did not offer more and were also hindered by fears of rising interest rates.

Mr. Carter proposed personal and business tax cuts totaling \$27.6 billion in 1981, as well as a plan to stimulate private investment. Most components of the plan had been widely anticipated.

In line with what his advisers have said previously, the president said that he would not present the program to Congress formally before the Nov. 4 election. He said he would veto a tax cut passed before the election.

The interest rate fears were exacerbated by Federal Reserve action in the money market today, which led analysts to believe that the Fed is encouraging a further interest rate rise.

Among the many falling stocks, Exxon fell 1 1/2 to 70, Halliburton 4 to 119 1/2, Tandy 2 1/4 to 68 1/4, Union Oil 1 1/4 to 32 1/2, Pennzoil 1 1/4 to 45 1/4, and Textron 1 1/4 to 26 1/4.

Cashing In

Analysts said investors were cashing in on spring-summer rally profits because interest rates have climbed sharply. Most of the nation's major banks have raised their prime lending rate to 11 1/4 percent from 11 1/8 percent.

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August 6, 1980 This announcement appears as a matter of record only



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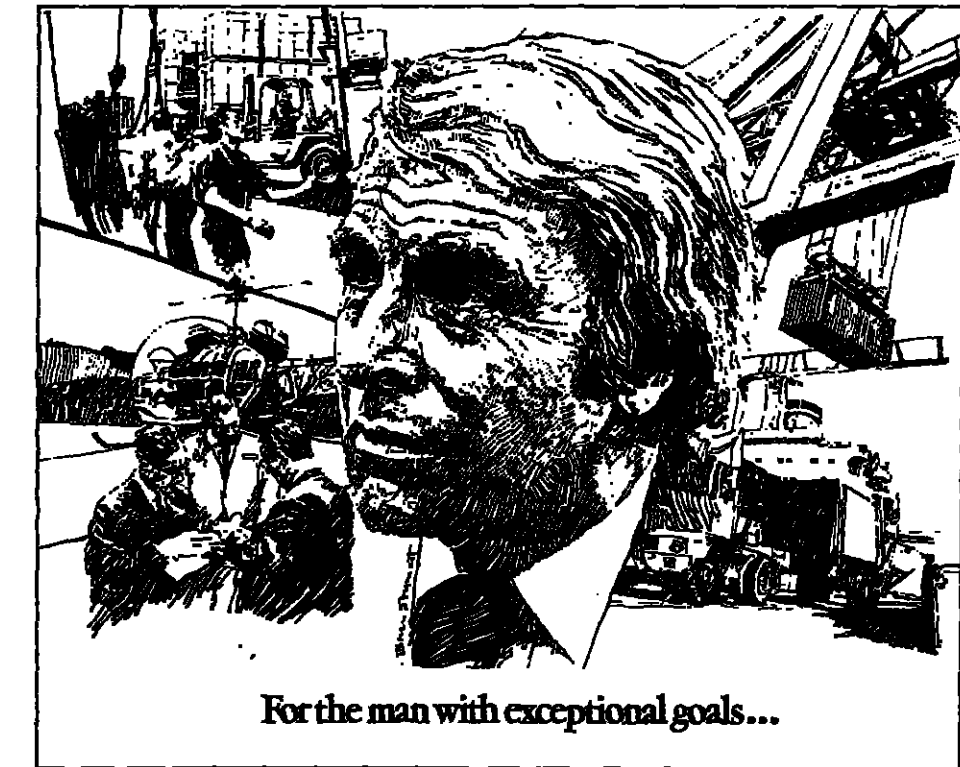
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Research Institute Report

Economic Stimulus Is Urged in Britain

LONDON, Aug. 28 (AP-DJ) — Britain's National Institute of Economic and Social Research is urging the government to apply a fiscal stimulus to the economy in 1981 to ensure that the recession does not send consumer demand too low.

The institute identifies Britain's inflation problem as stemming from wage and salary earnings gains rather than from excess demand. And it believes the government may now recognize this.

Consequently, the institute urges in its quarterly review that any success achieved in forcing wage increases below the rate of inflation should be matched by fiscal stimulus to ensure that demand does not fall as a result. The government, it says, could raise its spending, or cut taxes to bring about the required rise in consumer spending.

"While it may be necessary for pre-tax real wages to fall if rapid progress is to be made in bringing down the rate of inflation," the institute argues, "it doesn't follow that post-tax real wages also have to fall."

Wage Bargaining

However, the institute is skeptical about the government's chances of successfully bringing down wage increases to well below the level of retail price inflation. The current "free collective bargaining" system in force in Britain appears to hinder such a target, it says.

It suggests that only a change in the system of wage bargaining would allow a rapid fall in money wages in the short run. The institute points out that in only three of the past 16 years has this sort of development occurred, and that was at a time when the government had an understanding with unions on moderating wage increases. The institute has urged the Conservative government in the past to reach

Applied Digital Data Accepts Offer by NCR

NEW YORK, Aug. 28 (NYT) — William Catacosinos, chairman and chief executive of Applied Digital Data Systems, said yesterday that his board of directors had agreed to a \$60.5-million acquisition offer by the NCR Corporation.

On Monday, NCR offered \$12 a share for the approximately 4.7 million Applied Digital Data outstanding common shares and \$27 a share for the company's 162,000 preferred shares. Applied Digital Data had been seeking an unsolicited \$55-million tender offer by the Canadian firm Minc.

Company Reports New Bonanza In Gold-Rush Hills of California

SAN FRANCISCO, Aug. 28 (UPI) — The largest gold mining firm in the United States says it has discovered 1 million ounces of gold in foothills 100 miles (160 kilometers) north of San Francisco.

Homestake Mining said yesterday that the gold is in an estimated 6 million tons of ore, in "finely disseminated particles" that are not visible and cannot be panned, which is apparently why it was bypassed by prospectors during the Gold Rush of 1849. There is less than two-tenths of an ounce per ton of ore, said Harry Conger, president of Homestake.

Mining operations have taken place in the area intermittently for the last 100 years, Mr. Conger said, but the region now being drilled — in the northern corner of California's Napa county — was not previously mined for gold.

Mr. Conger said the firm has drilled 63 exploratory holes and is conducting engineering, metallurgical, environmental and economic studies to determine whether to start large-scale mining. "Based on current expectations, we could have a mine and mill in operation by 1984," he said. The gold ore is near the surface and would be recovered by surface mining methods.

Homestake, the largest gold producer in the United States, had a total production in 1979 of 297,000 ounces. The company also produces uranium, silver, lead and zinc.

Canada Cautions Japanese On Auto Export Practices

By Irvin Lutsky

OTTAWA, Aug. 28 (WP) — Canada is considering import restrictions or higher tariffs on Japanese autos unless Japanese car makers show they will buy more Canadian-made parts, according to Industry Minister Herb Gray.

Mr. Gray, who returned earlier this month from inconclusive talks with auto industry officials in Japan, said there is growing public dissatisfaction in North America over imported cars at a time when the auto industry is suffering and unemployment is high. He said he wants a decision by mid-November because a U.S. government agency is to decide by then whether to restrict Japanese car imports following requests by autoworkers and by Ford and Chrysler.

In his talks in Japan, Mr. Gray sought a commitment from major automakers either to buy more Canadian-made parts for vehicles exported to Canada and other markets, or to invest in manufacturing plants in Canada. He said the Canadian government may be forced to consider action such as an increase in tariffs from the current 14.3 percent, or quantity restrictions, if the U.S. International Trade Commission rules in favor of the autoworkers and manufacturers.

Officials from the Canadian Industry Department will hold further talks in Japan early next month.

Equivalent Decisions

Japanese automakers buy about \$10 million in parts annually from Canadian producers under a federal incentive program that reduces duty costs for foreign producers. Japanese manufacturers produce no vehicles in Canada.

"I'd like to see some definite decisions or progress toward decisions by the time President Carter has to act in November," Mr. Gray said.

Sales of Japanese automobiles in Canada in the first six months of this year totaled 86,539 vehicles, about 14 percent of the Canadian market. In July more than 30,000 Canadian autoworkers were out of work. Sales of North American cars and trucks fell 16.4 percent during the month.

Test Drilling Set Off New Jersey

ATLANTIC CITY, N.J., Aug. 28 (AP-DJ) — Oil companies plan to drill an exploratory well off the New Jersey coast that will test the government's contention that a large subterranean reef may hold huge amounts of oil and gas.

The "stratigraphic test well" will be drilled in the coming winter and spring in about 4,300 feet of water 120 miles east-southeast of Atlantic City to gather data on geological structures, geologist Richard Eckhart of ESC Inc., a California management firm organizing the drilling, said yesterday.

The well will be drilled to 20,000 feet, making it the farthest from shore and the deepest in the Baltimore Canyon area, which has produced 18 dry holes and nine gas and oil strikes in four holes located in water no deeper than 500 feet. Mr. Eckhart said at least 15 oil companies have until Sept. 10 to join the venture.

AT&T Vows to Compete in Computer-Age Services

By Ernest Holsendolph

NEW YORK, Aug. 28 (NYT) — American Telephone and Telegraph, positioning itself to compete for new communications business, plans to mass-market a number of advanced telephone services, including electronic Yellow Pages.

This was disclosed in an interview yesterday with James Olson, the AT&T vice chairman who was named last week to head a new Bell System subsidiary that will sell equipment and new services in a market previously denied to AT&T by government regulation.

Services and devices that AT&T plans to mass-market, according to Mr. Olson, include:

- A constantly updated electronic version of the printed Yellow Pages, stored in computers and offered to homes on video computer terminals. The service has been tested using table-top terminals developed at Bell Laboratories.
- A cellular radio system that would make possible mobile automobile telephones similar in voice quality and dependability to home phones.

• Advanced Communications Service, a computer-directed data communications system that could store and retrieve information for businesses, or handle data transmissions between computers in different cities. The system, now under development by AT&T, would compete with systems in existence or planned by such companies as GTE, Telenet and IBM.

• A telephone answering service, now being tested, that could store and forward calls, on demand.

Most of the services, except for the electronic Yellow Pages, have been proposed previously. Mr. Olson's statements were the first to indicate that they would be among the first offered to a mass market by the subsidiary, which is to be set up in the '80s as a separate entity from the rest of the company, to comply with requirements of the Federal Communications Commission and bills before Congress.

A recent FCC ruling and the congressional bills acknowledge that AT&T should be allowed to enter into and unregulated markets beyond its traditional telephone system, but only through a subsidiary that is not subsidized with revenue from the regulated phone business. Such subsidization, it is held, would give AT&T an unfair competitive advantage.

Before it can pursue its plans, AT&T faces legislative hurdles that

include a newspaper industry-sponsored provision in the House bill that would prohibit the company from offering electronic Yellow Pages and classified ads.

"We invented Yellow Pages," Mr. Olson said. "We can't believe that Congress could pass a bill to allow everyone but Bell to get into the latest technology relating to this service." He said AT&T does not intend "to allow cable operators or others to come in with electronic Yellow Pages while we stay with print — and any law that compels us to do so is bad law."

The legislation is making its way slowly through Congress and might

not be acted upon in this session. Mr. Olson is impatient to get AT&T started in the growing new fields of telecommunications from which it has been barred by government regulation. "We really can't wait any longer," he said. "We can sense the direction of deregulation, we have a lot of changes ahead of us, and there is a great big market out there waiting for us."

Referring to speculation that AT&T might be trying to hold up telecommunications deregulation, Mr. Olson said, "We're not trying to draw out the transition to a deregulated business — we have plenty of reason to press ahead."

ADVERTISEMENTS

INTERNATIONAL FUNDS

August 28, 1980

The net asset value quotations shown below are supplied by the Funds listed with the exception of some funds whose values are based on last Friday's closing. The following table indicates frequency of quotations supplied for the IVT: (a) daily; (b) weekly; (c) monthly; (d) quarterly; (e) irregularly.

ALLIANCE INT'L FUND (a)	Other Funds
ALLIANCE INT'L FUND (a)	(a) American Fund \$12.75
(a) Alliance Int'l Fnd (a)	(f) Arab Finance I.F. \$9.40
BANK JULIUS BAER & Co Ltd:	(g) Trustor Int'l Fd (a) \$12.20
(a) Banker's Fund \$12.20	(h) Bondcoast Int'l Fd \$10.30
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Floating Rate Notes

Closing prices, August 28, 1980

Banks	Closing prices, August 28, 1980
Amalgamated Bank	100.00
Bank of Montreal	100.00
Bank of New York	100.00
Bank of Toronto	100.00
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U.S. COMMODITY PRICES

Open High Low Close Chg

Chicago Futures					Open High Low Close Chg					Open High Low Close Chg					Open High Low Close Chg						
August 28, 1980																					
WHEAT	Open	High	Low	Close	Chg						SOYBEANS	Open	High	Low	Close	Chg					
3000 bu./dollars per bu.											5000 bu./dollars per bu.										
Sep	2.50	2.51	2.49	2.50	+0.01						Sep	1.10	1.11	1.09	1.10	+0.01					
Oct	2.48	2.49	2.47	2.48	+0.01						Nov	1.08	1.09	1.07	1.08	+0.01					
Nov	2.46	2.47	2.45	2.46	+0.01						Dec	1.06	1.07	1.05	1.06	+0.01					
Dec	2.44	2.45	2.43	2.44	+0.01						Jan	1.04	1.05	1.03	1.04	+0.01					
Jan	2.42	2.43	2.41	2.42	+0.01						Feb	1.02	1.03	1.01	1.02	+0.01					
Feb	2.40	2.41	2.39	2.40	+0.01						Mar	1.00	1.01	0.99	1.00	+0.01					
Mar	2.38	2.39	2.37	2.38	+0.01						Apr	0.98	0.99	0.97	0.98	+0.01					
Apr	2.36	2.37	2.35	2.36	+0.01						May	0.96	0.97	0.95	0.96	+0.01					
May	2.34	2.35	2.33	2.34	+0.01						Jun	0.94	0.95	0.93	0.94	+0.01					
Jun	2.32	2.33	2.31	2.32	+0.01						Jul	0.92	0.93	0.91	0.92	+0.01					
Jul	2.30	2.31	2.29	2.30	+0.01						Aug	0.90	0.91	0.89	0.90	+0.01					
Aug	2.28	2.29	2.27	2.28	+0.01						Sep	0.88	0.89	0.87	0.88	+0.01					
Sep	2.26	2.27	2.25	2.26	+0.01						Oct	0.86	0.87	0.85	0.86	+0.01					
Oct	2.24	2.25	2.23	2.24	+0.01						Nov	0.84	0.85	0.83	0.84	+0.01					
Nov	2.22	2.23	2.21	2.22	+0.01						Dec	0.82	0.83	0.81	0.82	+0.01					
Dec	2.20	2.21	2.19	2.20	+0.01						Jan	0.80	0.81	0.79	0.80	+0.01					
Jan	2.18	2.19	2.17	2.18	+0.01						Feb										

One aspect of the economic environment, to be discussed by Jean-Yves Haberer, Director of the French Treasury, at the fifth International Herald Tribune/Forex Research conference on "The Management of Foreign Exchange Risks."

For details contact the International Herald Tribune Conference Office, 181 avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France. Or telephone Paris 747.12.65. Telex: 612832.



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18600 Pamour 3560 Pamcan P 1100 P 2836 P 56 Pencil Oil 5025 Pine Point 3300 Pines G 4827 Piper 2436 Rom 2630 Redbath 1818 Reven 6385 Reichhold 1818 Reven 1818 Reven 800 Rothman 7200 Rostra 1100 Scott 1000 Seals 27625 Sheriff 1707 Sloma 6020 Stags R 5000 Slater 24920 Stelco A 26020 Stelco A 6720 Stelco 6950 Stelco B 5900 Suncor P 1000 Talsora		(prices in \$/cwt.) Options for May 1981 start on 3 Nov. 81
--	--	---

	August 28, A.M.	P.M.	N.
London	633.75	635.20	+1.
Paris	633.60	635.10	
Porto (12.5 ktlg)	633.60	635.10	
Official morning and afternoon fixings			
London and Paris opening and closing prices in Zurich.			
U.S. dollars per ounce.			

Rate	28 Nov. 89	26 Feb. 91	Options for May 1991 start on 3 Nov. 89
650	30.00-37.00	—	
670	29.00-36.00	31.00-34.00	
690	28.00-35.00	30.00-33.00	
710	27.00-34.00	29.00-32.00	
730	26.00-33.00	28.00-31.00	
750	25.00-32.00	27.00-30.00	

Gold Index 637.00-675.00

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[illegible]

4535	Teleview	A	\$104	104	104	104
4536	Teleview	A	\$104	104	104	104
4591	Tel Omi Bk	A	\$103	103	103	103
4599	Traders A	A	\$103	103	103	103
4599	Traders A	A	\$103	103	103	103
4600	Trinity Res	B	\$104	104	104	104
4601	Trinity Res	B	\$104	104	104	104
4602	Trinity Res	B	\$104	104	104	104
4603	Trinity Res	B	\$104	104	104	104
4604	Trinity Res	B	\$104	104	104	104
4605	Trinity Res	B	\$104	104	104	104
4606	Trinity Res	B	\$104	104	104	104
4607	Trinity Res	B	\$104	104	104	104
4608	Trinity Res	B	\$104	104	104	104
4609	Trinity Res	B	\$104	104	104	104
4610	Trinity Res	B	\$104	104	104	104
4611	Trinity Res	B	\$104	104	104	104
4612	Trinity Res	B	\$104	104	104	104
4613	Trinity Res	B	\$104	104	104	104
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4648	Trinity Res	B	\$104	104	104	104
4649	Trinity Res	B	\$104	104	104	104
4650	Trinity Res	B	\$104	104	104	104
4651	Trinity Res	B	\$104	104	104	104
4652	Trinity Res	B	\$104	104	104	104
4653	Trinity Res	B	\$104	104	104	104
4654	Trinity Res	B	\$104	104	104	104
46						

Canadian Indexes		
August 28, 1988		
	Close	Friday
Allshare	284.37	285.1
Ontario	2,208.70	2,242.1
Montreal: Stock Exchange Industriels Index		
Toronto: TSE 300 Index		

Are Welcome

Tokyo, Aug. 28 (Reuters) — Finance Ministry welcomes the constant large flow of petrodollars from Japan, especially through the United States, because it will help Japan's continuing credit payments deficit, officials say. The ministry said today.

They said securities companies have told them that most of the purchases of Japanese stock by foreign investors, a large part of which represents petrodollars, have been for stable long-term investments.

The officials were commenting on reports from banking sources that Japanese monetary authorities were worried by the sharp rise in foreign capital inflows, which they feared might disturb the domestic monetary situation and cause appreciation of the yen.

Daiwa Securities meanwhile cast that net purchases of foreign

GM Plant for Portugal
LISBON, Aug. 28 (UPI) — General Motors signed a contract with the Portuguese government today to invest \$56 million over a four-year period in a car parts plant. GM officials said the plant, scheduled to begin operations in 1981, is expected to employ over 400 workers making steering wheels, safety

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[illegible]

AMEX Index			
High 229.41	Low 227.50	Close 228.25	
FUTURES DOW JONES			
Through New York Industrial Index Prices in U.S.\$			
Maturity	bid/offer quotes August 28 14:00 hrs. U.T.	Bid to 10	Offer to 10
Aug. 28	— / —	9	9
Sept. 28	939.947	9	9
Oct. 30	939.947	9	9

PIERSON, HOLDING & PIERSON
Herald Square 234, AMSTERDAM

Prices in U.S.		
Month	bid/offer quotes August 28 14.00 hrs. L.L.	Bug to to
Aug. 28	—/—	9
Sept. 25	939/947	9
Oct. 30	939/947	9

PERSON, HEDRICK & PIER
Herengracht 214, AMSTER

PIERSON, HEDDING & PIER
Herengracht 214, AMSTER

Tables include the nationwide prices up to the closing on Wall Street.

[illegible]

August 28, 1980
(Closing prices in local currencies)

[illegible]

August 28, 1980

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc
1 M.	104% - 105%	8 13/16 - 8 15/16	6% - 6%	16% - 17%	12 - 12 1/4
2 M.	11% - 11 1/2	8 9/16 - 8 11/16	6% - 6 1/4	16% - 17 1/4	12 - 12 1/2
3 M.	11 1/16 - 11 13/16	8 9/16 - 8 11/16	6% - 6 1/4	16% - 17	12 1/16 - 12 7/16
6 M.	12 3/16 - 12 5/16	8% - 8 1/4	6 - 6 1/8	12 3/16 - 12 5/16	12 7/16 - 12 11/16
1 Y.	12 3/16 - 12 5/16	8% - 8 1/4	5% - 5 1/8	12 3/16 - 12 5/16	12% - 12 1/2

Cut-Down to 70 mph

[illegible][illegible][illegible][illegible]

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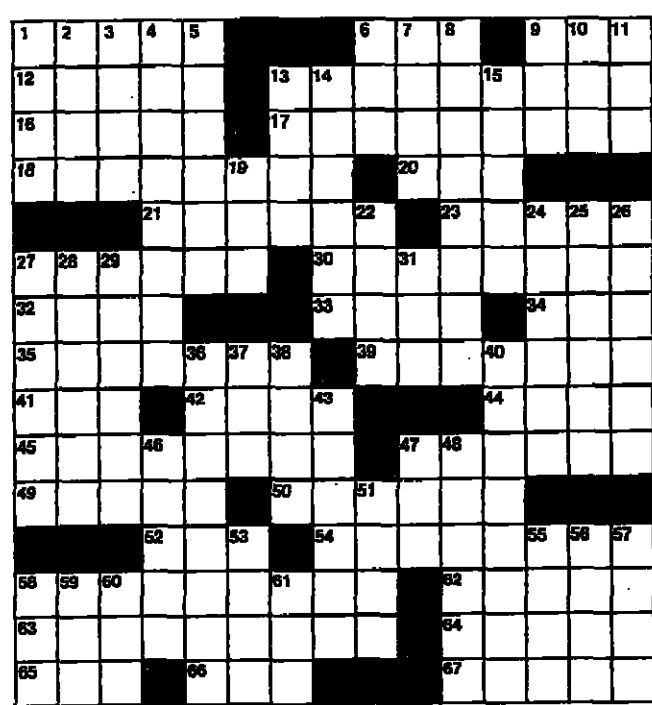
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International Herald Tribune: For a global perspective on world news

[illegible]

CROSSWORD By Eugene T. Maleska



- ACROSS**
- 1 Deliver
6 "Preludes": Liszt
9 Part of a fraternity name
12 Harshness
13 Outbreak that spread like wildfire
16 Berlin's "All—"
17 Agents
18 Large subfamily of Indo-European languages
20 Up to now
21 Everlasting, to poets of the past
23 Small groups
27 Its bite causes nagana
30 Handle meanly
32 Early South American
33 Element for a solution
34 Harper Valley group
35 In a tug of war
39 Furnaceman at Pittsburgh
41 Watson's org.
42 — to ruin
44 Jacob van —, noted Flemish painter
- DOWN**
- 45 Qualified
47 Counts every penny
49 Neophytes
50 This has a lot of scents
52 Tea, in Tours
54 Wildly excited
56 European body of water
62 "... may his increase!"
63 Policeman's activity, at times
64 Hair-raising
65 Legal eagle: Abbr.
66 Deck cleaner
67 Kind of parade
- 1 Pat oneself on the back
2 Get one's dander up
3 Dmitri's compatriot
4 Element like oxygen or carbon
5 Superstars
6 Topper
7 Whirling wind
8 Chosen one
9 The youngest Cratchit

Solution to Previous Puzzle

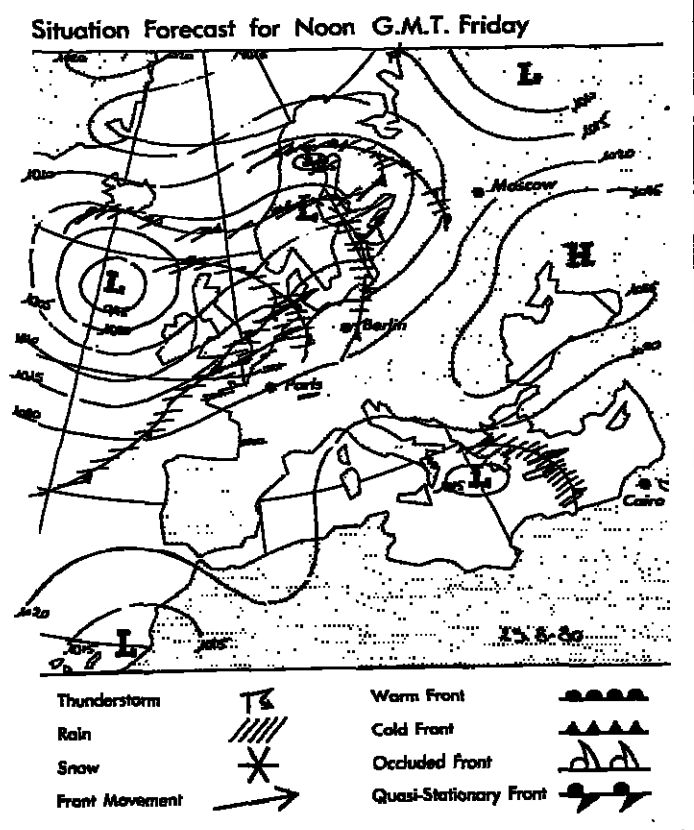
ARM STAMPS FAR
PEA ARCHAIC IFT
HANDTOMQUIN WRA
DIEDE DES SAISON
DYNAMO CONTEST
RINGS RINGERS
DUEVS AND ERICH
ANT DOA WEE
TAROT LIO AUGER
SHAKENANDS
SATIATES OCEAN
DROPE ABS ESTE
RIA ONESHANDSON
SEM VESTILE AND
RED REAPED VEA

WEATHER

	C	F		C	F		
ALGARVE	23	73	Fair	MADRID	26	82	Cloudy
AMSTERDAM	18	64	Foggy	MIAMI	31	88	Fair
ANKARA	28	79	Fair	MILAN	21	70	Rain
ATHENS	20	68	Fair	MONTREAL	20	68	Fair
BEIRUT	25	77	Fair	MOSCOW	13	55	Cloudy
BERGDADE	27	81	Cloudy	MUNICH	23	73	Cloudy
BERLIN	25	77	Fair	NEW YORK	28	82	Fair
BRUSSELS	18	64	Foggy	NICE	23	73	Overcast
BUDAPEST	23	73	Fair	OSLO	14	57	Rain
BUDAPEST	23	73	Fair	PARIS	24	75	Cloudy
CASABLANCA	24	75	Fair	PRAGUE	26	79	Cloudy
COPENHAGEN	18	64	Foggy	ROME	25	77	Cloudy
COSTA DEL SOL	27	81	Fair	SOFIA	24	75	Fair
DUBLIN	18	64	Overcast	STOCKHOLM	12	55	Overcast
EDINBURGH	21	70	Fair	TEHRAN	34	93	Fair
FLORENCE	27	81	Overcast	TEL AVIV	31	88	Fair
FRANKFURT	22	72	Foggy	TOKYO	24	75	Fair
GENEVA	19	64	Overcast	TUNIS	25	77	Stormy
HELSINKI	14	57	Overcast	VIENNA	25	77	Cloudy
HONG KONG	30	86	Fair	WARSAW	21	70	Cloudy
ISTANBUL	29	84	Fair	WASHINGTON	25	77	Cloudy
LAS PALMAS	29	84	Fair	ZURICH	20	68	Foggy
LISBON	26	79	Fair				
LONDON	20	68	Cloudy				
LOS ANGELES	25	77	Cloudy				

(Y'sterday's readings U.S. and Canada at 1700 GMT; Houston and Los Angeles at 2000 GMT.)

(Yesterday's readings U.S. and Canada at 1700 GMT; Houston and Los Angeles at 2000 GMT; all others at 1200 GMT.)



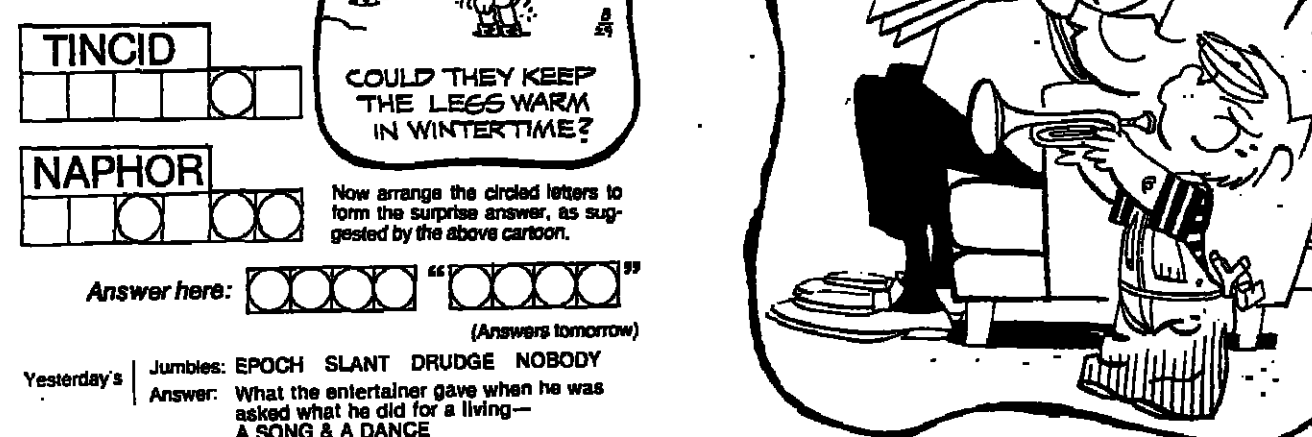
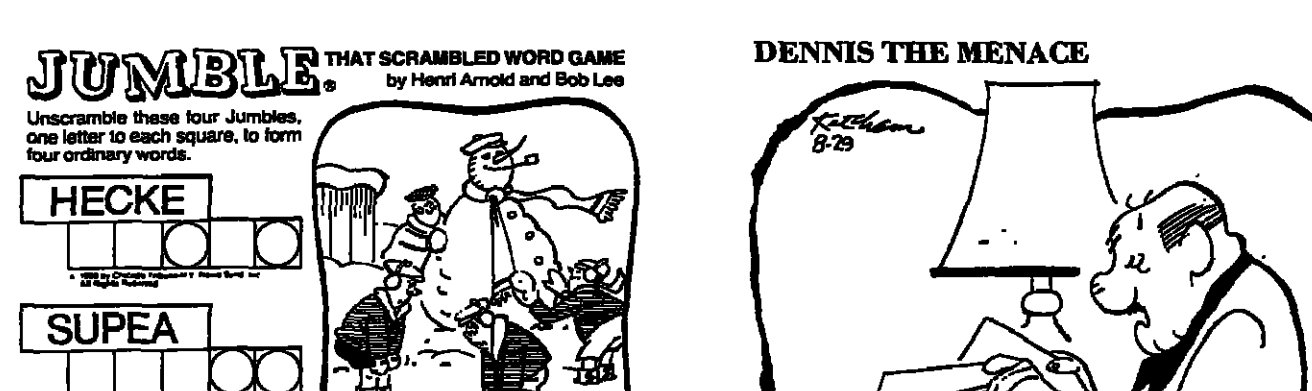
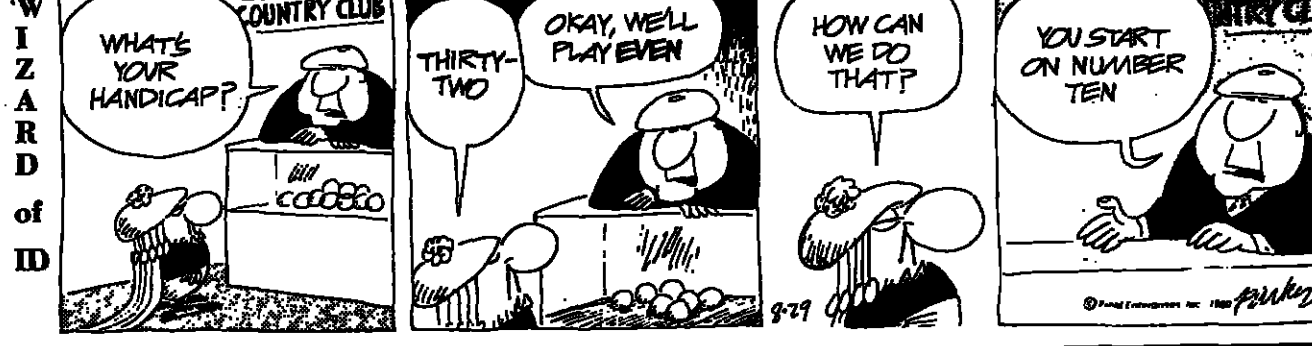
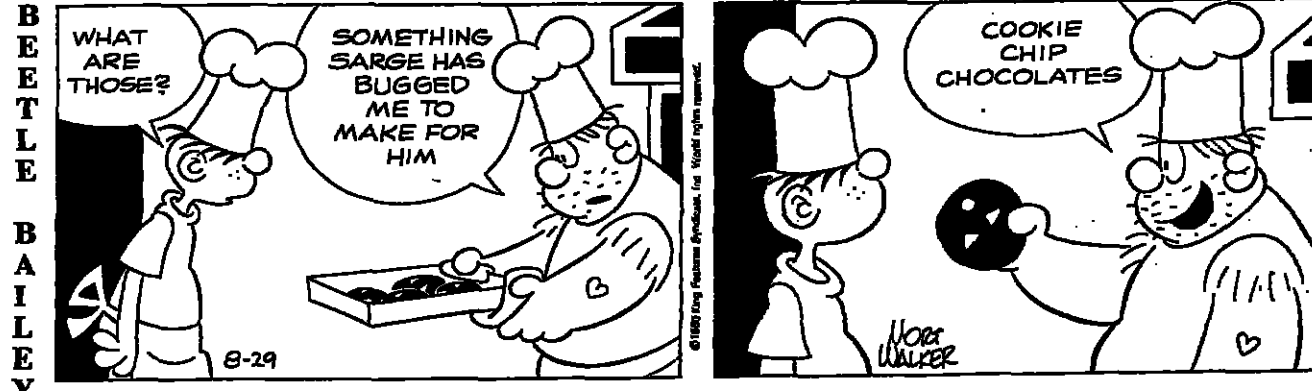
Careless California Air Tanker Pilot Paints the Town (and People) Red

PALM SPRINGS, Calif., Aug. 28 (LAT) — Five hundred gallons of fire retardant sprung down on a major thoroughfare in this resort town yesterday, painting streets, buildings, cars, sidewalks and a few persons a ketchup red.

An air tanker on the way to fight a forest fire on nearby Mount San Jacinto inadvertently dumped a fourth of its cargo too soon, the U.S. Forest Service said.

The retardant splattered Palm Springs Mall and an avenue near the city's airport. There were no reports of serious injuries.

The Palm Springs police immediately cordoned off the area. The fire department was brought in to hose off four automobiles parked near a market in the mall.



Imprimé par P.I.O. - 1, Boulevard Ney 75018 Paris

BOOKS

A SOLDIER'S EMBRACE

By Nadine Gordimer, Viking, 144 pp. \$8.95.

Reviewed by Anatole Broyard

Nobody writes about contemporary Africa as well as Nadine Gordimer does. Most outsiders bring to Africa an imported rhetoric, while most insiders have a rhetoric to export. She, almost alone, achieves what Saul Bellow called "the aesthetic consumption of the environment." Her Africa does not disappear into metaphors; in her books, metaphors disappear into Africa, like the early explorers and missionaries.

In "A Soldier's Embrace," Gordimer's new collection of stories, the first piece opens with a celebration of freedom. The blacks in this South African country have just won the right to govern themselves. They are dancing in the streets, together with the white colonial soldiers who only yesterday were their enemies.

Caught in the rejoicing throng, in the spirit of liberty, a white woman throws one arm around a black freedom fighter and the other around a white colonial soldier, and kisses each on the cheek. She feels as if she is modeling for a poster, modeling for the idea of freedom. The soldiers smell of sweat and soap.

The white woman and her husband, a liberal lawyer, dream of gathering all whites and blacks into an embrace, a kiss of democracy. But then the poster begins to fade and peel. It cannot stand up to the weather of revolution. The white cheek, the woman remembers, was sallow and pimply; the black showed a raw scar.

She realizes that revolutions are not black and white, but gray. The soldiers she embraced smelled of death as well as sweat and soap. They were drunk and whoring by the evening of that same day. The revolution, too, grew drunk on its victory and began whoring after easy conquests.

In "A Lion on the Freeway," Gordimer says that "anyone who lives within a mile of the zoo hears lions on a summer night. A tourist could be fooled." But though her lion is in a zoo, he is no less real. He stands for the idea of lions, of Africa. "The night opens," she writes, "a black hole between stars, and from it comes a deep panting, very distant and at once very close. For the sound of breath is very intimate. It grows and grows, deeper, faster, more rasping, until a great groan, a rising groan lifts out of the curving bars of the cage and hangs above the old city."

DISAPPEARANCES

By William Wiser, Atheneum, 335 pp. \$11.95.

William Wiser's "Disappearances" is one of the most satisfying novels of the last several years. It is about a young American in Paris in 1919, and it is also a novel about the knowledge of the first visit to Paris is an inexhaustible experience, like puberty itself.

Wiser's portrait of Paris may be the best in English since Henry Miller's "Tropic of Cancer." Among other things, he describes in detail the inside of a horse butcher's shop, a cafe where cesspool cleaners gather, and the life of a seedy hotel off the Rue St. Denis where Restif de la Bretonne once stayed.

Though everyone who goes to Paris feels that he has arrived too late, 1919 must have been one of the ideal times, a period when the spirit of the city was somewhere between the Cathedral of Notre Dame and Pablo Picasso. Landru, the man who murdered and dismembered 10 women, was the talk of Paris in 1919, and Wiser uses him in "Disappearances" as an ironical comment on the French attitude toward money and sex.

Gertrude Stein was living in Paris in 1919 and Wiser gives us a portrait of her that is both respectful and hilarious. The young man goes to her house to buy a typewriter that is rumored to be for sale, and Stein shows him her collection of paintings. Pressed for an opinion of the Picassos, Matisse and Monets, he says, "The small ones look as if they were painted before the painter felt successful." He is immediately accepted as an original.

When Stein is stung on the limb by a wasp in her garden, he further endears himself by telling her that an application of urine will relieve the pain. He is invited to dine on a dish that the literal minded Alice B.

BRIDGE

By Alan Truscott

INSTEAD of playing routinely on the diagramed deal, South won the first trick with the heart ace. This sacrificed a trick, since he could no longer score two heart tricks, but tied up the defense.

When spades were played and West won the second round, he could not establish hearts without permitting the declarer to use dummy's established spades. West cashed the heart king and shifted to clubs. When clubs were continued, West won the third round and had to play a diamond. East's nine forced the king, and South cashed his club winners.

West threw a spade, as did dummy, and East threw a heart. Now South led a low diamond and had to guess what to do when East won with the queen and returned the four. Where was the jack?

East was known to have begun with three clubs, and if the opening lead was honest, the hearts were originally 4-4. East had played high-

NORTH		EAST	
♠ A 8 7 5	♠ 4	♠ A 8 7 5	♠ 4
♥ K 10 7 2	♥ Q 8 4	♥ K 10 7 2	♥ Q 8 4
♦ Q 5 2	♦ 10 8 6	♦ Q 5 2	♦ 10 8 6
♣ A 8 7 5	♣ 4	♣ A 8 7 5	♣ 4

Neither side was vulnerable.

West led the heart two.

هكذا من الأهل

Ovett Winner in 3:31.4

3 Men Shatter 1,500 Record

KOBLENZ, West Germany, Aug. 28 (AP) — Steve Ovett of Britain led a "three-man" assault on the world 1,500-meter record last night, edging West German Thomas Wessinghage in setting the mark of 3 minutes, 31.4 seconds.

Wessinghage was timed in 3:31.6 and another West German, Harald Hadak, finished third in 3:32, also edging under the old standard of 3:32.1 held jointly by Ovett and Swedish countryman Sebastian Coe.

The 24-year-old Ovett led Wessinghage, set the fast pace, then moved ahead with about 500 meters remaining and held off the West Germans in the race to the tape. Afterward, he called Wessinghage, "the best pacemaker for me."

Wessinghage missed the 1980 Summer Olympics in Moscow because West Germany boycotted the Games, and Coe beat Ovett in the relatively slow time of 3:38.4, breaking Ovett's consecutive winning streak at 42.

"I could start here without any stress," said Ovett, who had served notice Tuesday that he would try for the world mark. "I had to run this race," Wessinghage said after the competitors had celebrated with

a victory lap before about 12,000 exuberant fans. "And at the risk of hurting his feelings, I could have closed it up at the last minute."

Coe missed last night's meet because of back trouble. Sciatic nerve trouble also kept the holder of the 800-meter world record out of Monday's Golden Mile in London, a race won by Ovett. The last time Coe ran was in Zurich, Aug. 13, when he missed the 1,500-meter record by a fraction of a second, finishing in 3:32.2.

In other events last night, Stanley Floyd and Mel Lattany of the United States finished 1-2 in the 100-meter dash, with Ernest Obeng of Ghana third. Their respective times were 10.21, 10.26 and 10.36.

Angela Taylor of Canada took the women's 100 in 11.23; Amegret Richter of West Germany was second in 11.55.

American Ben Plucknett won the men's 500 with a toss of 208 feet, 11 inches (63.68 meters) and the shot put at 61-11.4 (18.88 meters).

Rod Milburn of the United States won the men's 110-meter hurdles in 13.64 seconds, ahead of countryman Sam Turner (13.82). Joseph Coombs of Trinidad and Tobago won the 400 meters in 46.20.



Steve Ovett leads Thomas Wessinghage to the wire in the 1,500.

Giammalvas, Mayers, Jaegers, Borgs

Day 2 at the U.S. Open — a Family Affair

By Neil Amdur
NEW YORK, Aug. 28 (NYT) — Jimmy Connors, the defending champion, was the only player to win a match on Tuesday. He defeated John McEnroe, 6-3, 6-4, 6-3, in a match that was a family affair.

Connors' victory was satisfying enough when Tony won on opening day. But when Jimmy Jr. swept his first-round match in the U.S. Open tennis championships yesterday, his father was only too happy to cart his son's bags back to the locker room.

"It's pretty, pretty neat; we both did it together," said Jimmy, who is 17 and the national junior champion, after his 3-6, 6-1, 6-2, 6-2 victory over Rick Fisher.

Yesterday was a family day of sorts at the National Tennis Center, with such names as Giammalvas, Mayers, Jaeger, Gottfried and even a Borg popping up.

And, making his first appearance, the Nastase was fined \$750 for an obscene gesture and hitting a linesman with a ball during his four-set victory over Patrice Dominguez.

pointed Mayer, the highest seeded player to fall in the first two days of the tournament.

Also ousted was Jose-Luis Clerc, No. 12, in a five-set battle with Bernie Mitton. In winning 6-3, 6-2, 4-6, 2-6, 7-5, Mitton proved he was capable of a command performance. Clerc had enjoyed a successful summer, but his volley and overhead seemed to come apart.

Confidence has always been one of Brian Gottfried's shortcomings. Even after beating David Carter, 6-7, 6-2, 6-1, 6-3, on the stadium court, Gottfried, who reached the semifinals at Wimbledon as an unseeded player, said he was still trying to shake his tendency to "think negatively."

Ship Hooper, 21, overpowered Leif Shiral, 6-2, 6-1, 6-3. A scholar-

ship athlete at the University of Arkansas, Hooper is buried at 591 in the world rankings, but has an abundance of natural serve-volley talent, and his ground strokes are stabilizing.

If he improves as quickly as his look-alike, Yannick Noah of France, he could succeed Arthur Ashe, now retired, as the next prominent black U.S. player.

Withdrawal
The Mayer on the grandstand court was Gene, seeded sixth here and ranked sixth in the world. The day before the open, his older brother, Sandy, withdrew with an injury. Leading by two sets to one and at 2-3 in the fourth set against Gianni Ocleppo, Gene Mayer went wide for a ball, planted his left foot and, as he said later, "I felt something go."

What went was the left hamstring muscle, a chronic problem that has required more rest than Mayer has given it in recent months. Under the strain of hot, hard courts and humid temperatures that reached 98 degrees by late afternoon, he had to retire at 6-2, 6-1, 7-2, 4.

"It's a weakness, a tight muscle, and it tends to go," said a disap-

A Borg was beaten, 6-1, 6-1, but it was Mariana Simionescu Borg, not her husband, Bjorn. She lost to Lindsey May.

Many stars played their first-round matches Tuesday, leaving yesterday's crowd of 13,343 to discover such obscure field-court heroes as Chip Hooper, a towering 6-foot-6-inch player, and to rediscover Karen Sussman.

Eighteen years after she had won the Wimbledon title, Sussman, at 37, won her first open singles match yesterday on her fifth attempt, outlasting Tanya Harford, 3-6, 6-2, 6-4.

The name Jaeger was on the scoreboard, but it was 18-year-old Suzi, not her younger sister, Andrea, and she left the court a surprisingly easy 6-3, 6-2 winner over Glynnis Coles.

Jaeger vs. Jaeger?
The Jaegers are in the same quarter of the draw and have never met in a pro tournament.

Among other seeded players, Harold Solomon, fresh from a grand slam triumph last weekend in Cincinnati, ousted Jan Norback, 6-2, 6-4, 6-4. Solomon, who next plays Nastase, has shown remarkable maturity in recent months on and off the court, perhaps as a result of his new role as president of the Association of Tennis Professionals.

round scene that was more melee than match. But yesterday, under a sizzling sun that had the temperature rising to the high 90s, he twice bent over and cooled his hot head in the melted ice water of the red Coca-Cola cooler near the umpire's stand.

"I never did that before," he would say later. "I even was thinking about putting ice in my tennis shoes."

Nastase would win without exertion, 6-4, 6-1, 4-6, 6-2, but not without being fined \$750 for his theatrics. Currently serving an 18-month suspension from Davis Cup competition, he was docked \$500 for swatting a ball at a linesman and \$250 for flipping an obscene gesture.

Staring, Smashing, Glaring
He also stared at another linesman who moved up behind him as he was about to serve, smashed another ball into the court in annoyance and complained rightfully that there was no microphone on the umpire's chair. When he glanced into the bleachers and noticed Mike Burns, he glared at the tournament manager. "Hey, Mike," he called, "thanks for putting me out here."

Burns smiled. Two hours earlier, Nastase had been in his office. "He had three girlfriends with him instead of one," the tournament manager said, "so he needed two extra tickets."

As his match progressed, the Romanian borrowed a red bandana from a young girl at court-side, made Dominguez wait to serve while he posed for another admirer with a camera, and occasionally hit a great shot.

From Memory
Near the end of the second set, he flicked a backhand half-volley that floated over the net

Why's He Way Out There?
"Why is he out on a field court?" somebody asked Bob Howe, the deputy referee. "Why isn't he in the stadium?"

"The women complain if they're not in the stadium," Bob Howe replied. "Women's liberation, you know."

The last time Nastase was in the stadium, he nearly detonated it. That was last year when he lost to John McEnroe, the eventual champion, in a second-

round scene that was more melee than match. But yesterday, under a sizzling sun that had the temperature rising to the high 90s, he twice bent over and cooled his hot head in the melted ice water of the red Coca-Cola cooler near the umpire's stand.

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Phillies' Carlton Wins 20th Game

PHILADELPHIA, Aug. 28 (UPI) — Steve Carlton last night became the first 20-game winner in the National League, pitching the Phillies to a 4-3 victory over Los Angeles.

It was the fifth time in his career that Carlton has won 20 games in a season — and the fourth time as a Phillie. "I don't think anybody is really close for the Cy Young award," said Philadelphia Manager Dallas Green. "Consistency like that you don't see often. He means an awful lot to this team."

Keith Moreland, batting for Carlton (20-7) in the eighth, singled Larry Bowa to third after the Phillie shortstop had singled and was sacrificed to second by Bob Boone. Pete Rose, who had three hits, then delivered a ground out that scored the winning run.

The Dodgers went ahead, 2-1, in the fourth. Dusty Baker walked and Joe Ferguson singled. Philadelphia countered with two runs in the fifth when Carlton singled and scored on a double by Rose; Bake McBride singled and eventually scored on a throwing error by Steve Garvey. Ron Cey led off the Dodger sixth with his 20th home run of the season, tying the game at 3.

Tug McGraw picked up his 14th save with one inning of relief.

second baseman Paul Molitor. The major-league mark for most consecutive hits in official at-bats is 12, achieved by Pinky Higgins of the Boston Red Sox in 1938 and Walt Dropo of Detroit in 1952.

Indians 4, Twins 1

In Cleveland, Alan Bannister batted in two runs with a single and a double as the Indians defeated Minnesota, 4-1. Len Barker (16-8) struck out eight and walked two for his ninth victory in 10 decisions since the all-star break.

White Sox 3, Tigers 2

In Chicago, Lamar Johnson's single scored Leo Sutherland in the bottom of the 14th to give the White Sox a 3-2 victory over Detroit. Sutherland opened the inning with a single and Mike Squires followed with a bloop single. Chet Lemon popped out before Johnson singled to left. It was Chicago's first victory in eight meetings with the Tigers and snapped a three-game Detroit win streak.



Steve Carlton

Major League Standings

AMERICAN LEAGUE				NATIONAL LEAGUE			
Team	W	L	Pct.	Team	W	L	Pct.
New York	75	50	.600	Pittsburgh	78	57	.577
Baltimore	74	50	.597	Atlanta	67	57	.541
Seattle	69	55	.558	Philadelphia	68	58	.539
Detroit	65	59	.524	New York	68	60	.533
Cleveland	66	60	.520	Cincinnati	67	61	.520
Los Angeles	62	67	.481	St. Louis	65	63	.508
Minnesota	62	67	.481	San Diego	57	74	.435
Toronto	62	71	.465				

Sox' Veck 'Good' In U.S. Hospital

CHICAGO, Aug. 28 (AP) — Bill Veck, president of the Chicago White Sox, has been moved out of a local hospital's intensive-care unit and is listed in good condition.

Hospitalized since Sunday with respiratory problems, Veck, 66, continues to receive oxygen therapy, a hospital spokeswoman said yesterday.

Veck's hospitalization came shortly days after the White Sox board of directors approved the sale of the American League baseball club for an estimated \$20 million.

The deal must be approved by the club's stockholders and the league, but Veck said Friday he felt that was "merely a formality. Once it happens, I'll be unemployed."

Major League Line Scores

AMERICAN LEAGUE				NATIONAL LEAGUE			
Team	Score	Opponent	Score	Team	Score	Opponent	Score
Seattle	6-4	Los Angeles	1-0	Philadelphia	7-4	San Diego	1-0
Toronto	2-1	Minnesota	0-1	Pittsburgh	3-2	St. Louis	2-1
Medich, Lyle (4), Dornin (3) and Sundberg (2) for Seattle; Gervin (3) and Whit, W. Clancy, 10-10, L-Medich, 10-9, HR—Toros, Wills (5).				Los Angeles	100-100-0-0-1	Philadelphia	100-100-0-0-1
Alfonso	100-100-0-0-1	0	0	San Diego	100-100-0-0-1	0	0
Cleveland	111-100-10-0-1	0	0	San Francisco	100-100-0-0-1	0	0
Koosman, Verhoeven (7) and Butera; Barker, V.Cruz (8) and Diaz, W-Barker, 14-8, L-Koosman, 11-11.				Atlanta	100-100-0-0-1	0	0
Kansas City	100-100-0-0-1	0	0	Montreal	100-100-0-0-1	0	0
Milwaukee	100-100-0-0-1	0	0	San Francisco	100-100-0-0-1	0	0
Baltimore	100-100-0-0-1	0	0	San Francisco	100-100-0-0-1	0	0
Seattle	100-100-0-0-1	0	0	San Francisco	100-100-0-0-1	0	0
Seattle	100-100-0-0-1	0	0	San Francisco	100-100-0-0-1	0	0

Nastase: The Aging Actor Stumbles on His Baselines

By Dave Anderson

NEW YORK, Aug. 28 (NYT) — For all his tennis talent, the Nastase has always had the soul of an actor rather than that of an athlete. Now he is 34, now his stringy black mop has a few gray hairs, now he resembles an aging troubadour who keeps receding the lines from his old plays because nobody will give him a job in a new play.

Yesterday, for example, Nastase talked about how he was No. 72 in the computerized rankings. That's where he was on the list that came out two weeks ago. When this week's rankings were posted, he had dropped to No. 93.

No matter where Nastase ranks, he remains an attraction. When the U.S. Open championships resumed at the National Tennis Center yesterday, Virginia Ruzici was playing Nina Bohm in the opening stadium match, but the stadium was virtually empty.

— a reminder of what a marvelous athlete this man once was, of how much better a tennis player he might have been.

Nastase won the United States Open at Forest Hills in 1972; he went to the Wimbledon final against Stan Smith that same year. But he never was as good as he might have been. And now his era is over. His contemporaries have had it. Stan Smith, Bob Lutz and Marty Riessen lost in the open's first round; Arthur Ashe, John Newcombe and Tony Roche don't even compete any more.



Ilie Nastase winds up among the spectators during his match Wednesday against Patrice Dominguez. Nastase eventually returned to the court and won, 6-4, 6-1, 4-6, 6-2.

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He also stared at another linesman who moved up behind him as he was about to serve, smashed another ball into the court in annoyance and complained rightfully that there was no microphone on the umpire's chair. When he glanced into the bleachers and noticed Mike Burns, he glared at the tournament manager. "Hey, Mike," he called, "thanks for putting me out here."

Burns smiled. Two hours earlier, Nastase had been in his office. "He had three girlfriends with him instead of one," the tournament manager said, "so he needed two extra tickets."

Security Blanket
But even as No. 93 in the rankings, he hangs onto the circuit as if it were a security blanket. "I like to be here, I'm used to playing," he said in the locker room. "I don't know how long I could play. I wish I knew."

He will play seventh-seeded Harold Solomon tomorrow, possibly at night. That pairing deserves to be scheduled for the stadium with a grandstand.

"That's a tough second-round match," he said. "I'd like to play a good match. If I play at night, I have better chance, be cooler for me."

Final Flub
That's an aging tennis player talking. An aging actor, too. In his best years, Nastase's punch line always was the putaway shot. His antics were merely a prelude. But yesterday he showed why he is No. 93.

During the final set, he hit a volley in self-defense with his racket up against his chest. That volley soared over the net as his audience gasped at his reflexes. But moments later he flubbed a putaway forehand volley.

Sooner or later, even an aging troubadour forgets his old lines.

When It Comes to Making Passes, Some NFL Gentlemen Prefer Bombs

By Bob Oates

SANTA ROSA, Calif., Aug. 28 (LAT) — Al Davis, the principal owner and manager of the Oakland Raiders, was discussing a phenomenon of modern football: the extent to which most teams are passing the ball.

football was the passing. And the more the pros ran, the more the props passed.

Factors: Bomber, Snake
Davis says that the brightest of the prep coaches of the early 1970s was closely inspecting the Raiders, who continued to stress passing throughout the running era with, first, Darlyne Lamoni (The Mad Bomber) and then The Snake, Kenny Stabler.

League in 1970, he has been the National Football League's most determined and celebrated advocate of passes, particularly long ones. And it pleases him that so many others are finally coming around to his view.

"What amazes me" he says, "is how advanced these kids are when they get to college today. You can't believe how well coached they are in the high schools. A passer who is still a college freshman has seen really sophisticated defenses for three or four years. We're in an era when youngsters like Art Schlichter and Dan Marino can start [for Ohio State and Pittsburgh] as freshmen. The game isn't much different from the one they've been playing."

Will they experience bigger changes in pro ball?

Rule-Book Help
"There's more competition here, of course," Davis says. "But the biggest change is their own knowledge and background. The pros used to have to teach a rookie from scratch, particularly the passers, receivers and pass blockers. Today by the time they come up they're pretty well versed in everything. The line-men coming into the NFL are expe-

rienced pass blockers now and the receivers have been looking at a lot of tough defenses. It's no wonder the pros are passing more often and a lot better."

What other reasons does Davis see for the emergence of so many NFL passing teams?

"The rules changes have played a part," Davis says. "Holding has been legalized, basically, and that slows the pass rush. Another change, the one-bump rule, helps some teams."

long. You can win both ways, but I prefer bombs.

"It's just a personal preference. Like some guys prefer blondes. Long passes are more interesting. The long game is harder to learn, of course. The other way may be smarter, but I don't like to play that way. Most coaches start [their strategic thinking] by moving the chains. We start in the other guys' end zone."

What other specific ideas are associated with the Raiders' offense?

"Our tight end has got to be a deep receiver. It started when we moved Billy Cannon from halfback to tight end. We destroyed the myth that tight ends have to be big but not fast. On our present team, Raymond Chester and Dave Casper have the size, of course, but they're there because of their speed."

It started in the high schools, Davis said. "Some of the best coaching today is in the high schools. And on that level — where the guys are studying for college all or the pros — the coaches are coached by the passing game. In the late '60s and early '70s [the heyday of the run] many of them began to see that the excitement of pro

football was the passing. And the more the pros ran, the more the props passed.

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Davis says that the brightest of the prep coaches of the early 1970s was closely inspecting the Raiders, who continued to stress passing throughout the running era with, first, Darlyne Lamoni (The Mad Bomber) and then The Snake, Kenny Stabler.

"I heard from a lot of high school coaches in those days," Davis said, "and they all made the same point. They'd learned that passing was the best way to inspire the kids, to motivate them, to get their attention. Kids love to throw bombs."

"Then they graduated — and the college coaches suddenly found themselves with a bunch of highly skilled passers and receivers. So the colleges began to throw. And now that those kids are in the pros — Jim Zorn, Vince Ferragamo, Marc Wilson and the rest. It's a revolution."

"There is obvious pride in Davis' smile. From his first days in the game 30 years ago, he has liked to see people throw the ball. Since the merger with the American Football

League in 1970, he has been the National Football League's most determined and celebrated advocate of passes, particularly long ones. And it pleases him that so many others are finally coming around to his view.

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"But I think the main reasons are that the coaches have a better understanding of the passing game now and the colleges are sending up more players for the skill positions than any other kind of player. The league is full of great receivers with more coming all the time."

Who's responsible for the "better understanding" of the coaches?

"I think most of it goes back to Sid Gilman [now a Philadelphia Eagle adviser]. When Sid was coaching the Rams and Chargers, he was the first coach every to really concentrate on passing and he developed a concept of the passing game that has spread all over the league."

Is there a difference between

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Left, Right?

Another idea often associated with the Raiders is the frequency with which running plays have been directed to the left side. Most other teams run right.

"A lot has been made of that one, but for the wrong reasons. We didn't run left because Stabler is

left-handed or because we blocked better left. We ran that way, and still do, because one of our most effective sets is what we call the East formation — with both wide receivers on the right side. That puts the tight end left. So when you run from that set, you run left. The other team is scared of your right-side passing so they put more right-side players on the line. And as a matter of fact, I'd rather throw deep right than run left."

How many passers have what it takes to throw your kind of passes?

Power Lack
"Well, that's one of the problems. Terry Bradshaw is that kind. Vince Ferragamo is that kind. So is Dan Pastorini. But most guys just don't have the power to put it out there. The colleges are sending up a lot more of the other kind of passer these days — the precision passer who is very accurate for 20 or 30 yards."

"But they can't really throw the bomb. On our team we don't care so much about timing the pattern out or using the hashmarks or precision. Our style is to hold the ball until somebody gets open — deep — and then fire it."

Transactions
BASEBALL
American League
SEATTLE—Acquired Mike Parrish, Rick Anderson and Kenny Soriano, pitchers; Rick Culp and Kim Allen, outfielders; and Dave Edler, third baseman, from Seattle of the Pacific Coast League.

NATIONAL LEAGUE
CINCINNATI—Acquired Steve Miller, outfielder; and Geoff Combs and Sheldon Burnside, pitchers, from Indianapolis of the American Association.

MONTREAL—Acquired David Palmer, pitcher; and Jeff Minton, pitcher, from Denver of the American Association.

LOS ANGELES—Picked Jack Clark, outfielder, on the 15-day disabled list retroactive to Aug. 23.

BASKETBALL
National Basketball Association
LOS ANGELES—Waived Spencer Haywood, forward.

FOOTBALL
National Football League
BALTIMORE—Signed Mike Brown, number. Waived Bucky Dills, number.

PHILADELPHIA—Picked Jack Clark, outfielder, from San Diego for undrafted draft choices.

HOCKEY
National Hockey League
NEW YORK ISLANDERS—Signed Bob Lemer and Kelly Davis, defensemen.

PHILADELPHIA—Waived Bob Boucher, an assistant coach.

NEW HAVEN—Signed Rod Gilbert, head coach.

CFL Standings

East				West			
Team	W	L	T	Team	W	L	T
Ottawa	4	0	0	San Francisco	1	0	0
Hamilton	3	3	1	Los Angeles	2	2	0
Montreal	3	3	1	San Diego	2	2	0
Toronto	3	4	0	San Francisco	1	0	0

